Daily Report

Central Eurasia

FBIS-SOV-93-143
Wednesday
28 July 1993

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FBIS-SOV-93-143 *28 July 1993*

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ITAR-TASS Carries Press Review for 28 Jul

LD2807070593 Moscow ITAR-TASS in English 0649 GMT 28 Jul 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow, July 28 (ITAR-TASS)—Most newspapers lead with reports from different part of Russia and other commonwealth countries about the situation connected with the central bank decision to withdraw from circulation pre-1993 rouble banknotes.

TRUD daily reports that putting off the deadline by another three weeks by the president's decree has done little to assuage the panic.

KOMSOMOLSKAYA PRAVDA that the hardest hit by central bank chairman Vitro Gersashchenko's "act of subversion" are the shuttle traders—small private importers, wholesalers, currency dealers and kiosk traders who prefer using cash in their transactions. Some major enterprises will be hit as well, especially those which shop truckloads of cash to their production partners in other commonwealth countries.

KRASNAYA ZVEZDA (RED STAR) queries rhetorically: "When shall we see an end to 'experiments' in Russia and the people will be able to trust the state which is tirelessly thrusting its hands into our purses"? The item is eloquently entitled "Lessons of the Rouble Horror".

KOMSOMOLSKAYA PRAVDA comments on President Yeltsin's decision to fire Russian Security Minister Viktor Barannikov for misbehavior and serious drawbacks in work, including in controlling the border troops. "Yeltsin said at a meeting yesterday that he would not have anyone use services of commercial and other structures to arrange trips for close relatives to other countries and the like". This sounds fine but fails to convince, the newspaper says. The reasons for sacking Barannikov lie elsewhere.

KRASNAYA ZVEZDA reports that criminal proceedings have been instituted and investigation begun of the circumstances of the tragic clashes on the border between Tajikistan and Afghanistan on July 13 which killed 25 Russian servicemen. Officers from the central administration in charge of overseeing compliance with laws in the armed forces have flown from Moscow to Tajikistan to determine the degree of personal responsibility of the local border troops commanders.

KRASNAYA ZVEZDA also reports the end of the withdrawal of an airdefence regiment armed with MiG-23 fighter planes from the burevestnik airfield on the Kuril Islands. The newspaper quotes the Russian air defence army commander, Lieutenant-General Albert Smyshnikov as saying in response to the Japanese leaders' concern about the possible deployment on Iturup Island of an airforce unit with modern fighter planes that "there are no plans for deploying any interceptor squads or any other air force units on the Kuril Islands".

The newspaper DELOVOI MIR (BUSINESS WORLD) publishes a special supplement to today's issue which opens with a message from Spanish Ambassador to Russia Eugenio Bregolat. The ambassador says there are no obstacles to further deepening and improving relations between Russia and Spain. The supplement is fully devoted to partner relations between the two countries.

Spain's trade representative in Moscow Ana Oviedo says in an interview with BUSINESS WORLD that there are great prospects for bilateral cooperation between the two countries—Spanish credits worth a total of 1.5 billion dollars provided by the Spanish Government in October 1990 have yet to bring fruit.

PRAVDA reports that former Soviet Vice-President Gennadiy Yanayev, a defendant in the coup-plotters' case, has been hospitalized with an acute pain in the back. The newspaper recalls that Yanayev had spent 17 months in prison.

Georgian-Abkhaz Cease-Fire Signed in Sochi

LD2707162893 Moscow Russian Television Network in Russian 1600 GMT 27 Jul 93

[From the "Vesti" newscast]

[Text] It has just become known that the agreement on the cease-fire in Abkhazia has been signed.

We have received a message from the president of the Russian Federation which says: An agreement on the cease-fire in Abkhazia and on a mechanism of monitoring its observance was signed in the town of Sochi today, 27 July 1993. Georgian and Abkhaz leadership, the message continues, have shown common sense and political will. A path has been opened up to put a halt to the fratricidal war.

Further: The Russian Federation firmly advocates that Georgia should have guarantees for its territorial integrity; that the political and legal status of Abkhazia and South Ossetia should be guaranteed; and that interethnic problems should be resolved peacefully. It is on this basis that a path opens up leading to full good-neighborliness between Russia and Georgia, which is an important factor in securing peace and calm in the Caucasus.

Details of Cease-Fire Agreement

LD2707165293 Moscow ITAR-TASS World Service in Russian 1614 GMT 27 Jul 93

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi, 27 Jul—An agreement on a cease-fire in Abkhazia and on a mechanism to monitor its observation was signed in Sochi today. The document was signed, on the Georgian side, by Vakhtang Goguadze, speaker of parliament; on the Abkhazian side, by Sokrat Dzhindoliya, deputy chairman of the Abkhazian Supreme Soviet; and for the Russian Federation, by Andrey Kozyrev, minister of foreign affairs.

The representives of the sides engaged in the conflict, with the mediation of Russia, have agreed, from 1200 on 28 July, to return to the strict observation of the cease-fire regime and mutual non-use of force in the conflict zone which was established on 28 May of this year. Any kind of combat use of aviation and artillery and means of transporting military equipment and weapons by water is prohibited.

Additional troops and other armed formations will not be brought into the conflict zone (the territory of Abkhazia), and there will be no draft or no uncoordinated movement of troops or other formations. No arms or munitions will be brought in, and no installations of the military industry will be built.

According to the document which has been signed, on 29 July Georgian-Abkhazian-Russian temporary supervisory groups will begin monitoring compliance with the cease-fire regime. They will be stationed in Sukhumi, Gulripsha, Ochamchira, Gudauta, Novyy Afon, Tkvarcheli, Gagra, and Gali. They may also be stationed in other locations should it become necessary. The supervisory groups have the right of access to any area in the conflict zone if they so require, after notifying the sides. After the arrival of international observers, the temporary supervisory groups will act in conjunction with them.

More on Agreement

LD2707172793 Moscow ITAR-TASS World Service in Russian 1636 GMT 27 Jul 93

[Text] Sochi, 27 Jul (ITAR-TASS)—Each conflicting side undertakes to immediately and effectively stop any breaches of the cease-fire regime by its armed formations, intercepted by supervisory groups, and to carry out quickly recommendations and suggestions put forward by the supervisory groups. The United Nations and the CSCE will be kept advised of cases of noncompliance by the sides with their undertakings stipulated in the above agreement.

A joint commission on the settlement in Abkhazia must be formed before 5 August. UN and CSCE representatives and observers will be involved in its work. The agreement specifies that the sides deem it necessary to invite and use international observers and peacekeeping forces in the conflict zone.

A staged demilitarization of the conflict zone is beginning. Armed formations of the Republic of Georgia will be withdrawn from the territory of Abkhazia within 10-15 days. In the same period, those who are currently in the conflict zone: armed formations, groups and individuals will be disbanded and pulled out of Abkhazia.

For the protection of trunk routes and important installations in accordance with the final document of the Moscow meeting of 3 September 1992, a subunit of internal troops of the Georgian side will be formed from the local population in the conflict zone. Armed formations of the Abkhazian side are to comprise a regiment of internal troops which is being put on barracks alert and is to fulfill the functions characteristic of internal troops (protection of trunk routes and important installations) until a full-scale settlement is reached. All these actions are to be implemented under the supervision of a joint commission.

International observers are being stationed along the Gumista, Psou, and Inguri rivers. Immediately after the cease-fire a multiethnic militia, the composition and strength of which is to be determined by the sides, is to be created in the conflict zone for the purpose of maintaining public order.

Kozyrev Speaks at Cease-Fire Ceremony

LD2707180393 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 27 Jul 93

[Report by correspondent Arkadiy Melkonyan; from the "Novosti" newscast]

[Text] [Announcer] During the course of today we have been tensely anticipating reports from Sochi where delegations from Georgia and Abkhazia and representatives from Russia have arrived to sign an agreement on a cease-fire in Abkhazia. By evening the following had become known:

[Melkonyan] A meeting took place this evening at Sochi's Zemchuzhina hotel between the delegations of Russia, headed by Foreign Minister Andrey Kozyrev; of Georgia, headed by Vakhtang Goguadze, the speaker of parliament; and of Abkhazia, Sokrat Dzhindoliya, deputy chairman of the Supreme Soviet. As is known, over the past few days, thanks to Russia's great mediatory activity, the parliaments of the two conflicting sides approved with certain amendments the text of the agreement on a cease-fire in Abkhazia and the mechanism to monitor its observation. And finally, the long-awaited moment of its signing had arrived.

[Begin Kozyrev recording] Now it is important to strictly observe the agreement which has been achieved, to suspend provocations, and to make the peace process irreversible. Russia is fully determined to promote the achievement of this goal and the speediest elaboration by the sides of an agreement on a full-scale political settlement in Abkhazia. The Russian Federation comes out firmly for a guarantee of Georgia's territorial integrity, the political and legal status of Abkhazia and South Ossetia, and for a peaceful solution to interethnic problems. [end recording]

The heads of the Georgian and Abkhazian delegations expressed their desire and readiness to establish peace. Russian President Boris Yeltsin greeted the participants in this meeting in his message.

More on Events Surrounding Tajik-Afghan Border Incidents

IDRM Condemns Leader's Call To Withdraw Troops

LD2707140093 Moscow ITAR-TASS in English 1328 GMT 27 Jul 93

[By ITAR-TASS correspondent Oleg Velichko]

[Text] Moscow July 27 TASS—The executive committee of the International Democratic Reform Movement (IDRM) has denounced leader of the Russian branch Gavriil Popov for his call to pull Russian troops out of Tajikistan.

The IDRM stressed that his call can result in removing all barriers to foreign expansion, cause a new outburst of civil war, and do harm to the geopolitical interests of both Tajikistan and Russia".

Popov also called for "inviting international peacekeeping forces". This, according to IDRM, could bring about an unprecedented increase in the flow of refugees and a growing estrangement between the Russians and the Tajiks.

The IDRM executive committee believes that the Commonwealth of Independent States is able to guarantee the security of its borders all by itself, and Russia can act as a reliable guarantor with the consent of all member-countries.

Inaction of President, Ministers Compounds 'Tragedy'

PM2707164593 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 93 First Edition p 2

[Article by Dr. of Juridical Sciences Gennadiy Melkov under "Opinion of Military Expert" rubric: "Paralysis of Power"]

[Text] The tragedy involving the 12th Border Troops Subunit has highlighted many military and political questions and issues of international law which have cropped up yet again, this time for Russia. For a whole day, 12.5 hours, the border troops waged a deadly battle alone, awaiting help (just as the men on the submarine Komsomolets died in the icy waters without help reaching them).

Why was the telephone the only reliable means of communication? Where were the lauded Airborne Troops, who were commanded by Pavel Grachev himself? In the course of the battle, reinforcements could have been delivered to the border even from Kamchatka. What sort of combat readiness is this, what sort of defense of the country, whereby in the president's absence it is impossible to contact him, and for this reason there is no one to give the order to repulse an armed attack? Where is the instantaneous contact with the supreme commander in chief—the owner of the nuclear briefcase? Why did Viktor Barannikov and Pavel Grachev (or the people deputizing for them) not establish this instantaneous contact, and receive from him the order to repulse the attack? Maybe the ministers did not know about the Law on the State Border, or had forgotten the Treaty on Collective Security of 15 May 1992 or the Agreement on the Use of Airspace of 15 May 1993 to which Russia and Tajikistan are party?

Now belated attempts are being made to shift responsibility for the soldiers' deaths onto the Russian Supreme Soviet and the Ministry of Foreign Affairs because, it is said, at the time of the tragedy the Russian-Tajik Treaty on Friendship, Cooperation, and Mutual Aid had still not been ratified. Surely it was not impossible to render the border troops effective aid without this treaty?

We recall how diligently the president, the foreign minister, and the defense minister supported the U.S. missile strike against Iraq. What made the ministers of security and defense hesitate during the armed attack on Russian border troops? After all, as Boris Gromov stated in the

Russian Supreme Soviet, the available intelligence information testified to preparation of a strike against border troop subunits. It was certainly also possible to envisage the necessary measures for the timely reinforcement of the border and for placing the Airborne Troops in a state of heightened readiness to offer emergency aid to the border troops. None of the above, as we know, was done.

The tragedy on the border also highlighted another highly important political problem, which is being silenced in every way. The peoples of Russia, the president, the government, and the Ministry of Foreign Affairs are unaware of the real situation in Tajikistan, where a government is in power which is actively opposed by an armed Tajik opposition. The Russian mass media either do not possess reliable, objective information, or are distorting it and covering it up. Conversely, television and the press are strenuously foisting on Russians the idea that what is being defended in Tajikistan is the southern borders of Russia and the virtually nonexistent CIS. It was under just such a thoroughly false pretext that the top leaders of the CPSU launched the USSR into a criminal war against the peoples of Afghanistan, which led to heavy casualties on both sides.

The possible logic of developments in Tajikistan is such that in the future the military pressure of the armed Tajik opposition will undoubtedly grow on the basis of extensive military aid from Afghanistan. What is the way out for Russia in view of this?

In my view there is only one way out: Talks must start immediately between representatives of Russia, official Tajikistan, and the armed Tajik opposition. These talks, among other questions, should settle the issue of ensuring the safe departure from Tajikistan of the Russian and Russian-speaking population with the property belonging to them and with full compensation for the value of the houses and other real estate left behind them. Only after the departure of the last Russian person wishing to leave Tajikistan should the withdrawal of all Russian troops from Tajikistan commence immediately. It is criminal to defend the borders of the nonexistent CIS with the lives of Russian soldiers.

Aftermath, Lessons of Events

PM2807111193 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 93 p 1

[Vladimir Gavrilenko artic'e: "Security Council: Awards for Heroes, Punishment for Leaders"]

[Text] A session of the Russian Federation Security Council was held in the Kremlin 26 July. It discussed the situation on the Tajik-Afghan border and measures to regulate it. The Security Council:

noted the uncoordinated nature of Security Ministry, Foreign Ministry, and Defense Ministry actions;

stressed the urgent need to adopt a series of measures to resolutely reduce tension in this area;

pointed out the fundamental importance of formulating and consistently implementing a unified statewide Russian policy to regulate the situation on the Tajik-Afghan border and normalize the situation in Tajikistan;

appointed Russian Federation Foreign Minister Andrey Kozyrev the president's special representative for settling the conflict;

made Russian Federation Defense Minister Pavel Grachev responsible for the overall operational leadership of coordinating all the various ministries' and departments' forces and facilities;

reprimanded Russian Federation Security Minister Viktor Barannikov.

Every tragedy has a bright side and a gloomy side. And the 12th Border Troops Subunit's tough engagement was no exception. The supreme courage of its defenders and the death of 25 of them caused mixed feelings of admiration and pride, pain and sadness. The spontaneous desire for an immediate showdown and revenge gave way to inevitable, sober questions: How could this have happened and what must be done to ensure that there is no repetition?

Well, as people say in such cases with hand on heart, we admit.... We admit that foresight failed Russian politicians. They were unable to predict the menacing train of events in this region even though the information was on hand: the withdrawal of the armed opposition from Tajikistan to the neighboring country; the incessant "probing" of the border; and finally, not only the oppositionists' intentions but also their public statements regarding their return—and not with an olive branch in hand, needless to say. And another point: the armed chaos in Afghanistan itself, the saturation of its northern regions with fellow tribesmen from the Tajik opposition, well-armed and yearning "for action" since the Soviet troops pulled out. The oversimplified view of the situation in Afghanistan itself has also had an impact: Out of sight out of mind, so to speak.... We should have seen that the waves of instability in that country would inevitably fall on our shores. Now a word about the shores. The vagueness and uncertainty as to whose borders Russian border guards are defending has also affected their degree of readiness to rebuff an incursion. The Tajik-Russian Friendship Treaty signed recently in Moscow has nonetheless not clarified the situation once and for all. Its provisions on border security and the status of Russian border troops have not had time to fully "take effect." Regrettably, the border itself was also not "ready." It is inadequately equipped, reinforced, and fortified. The change in the tactics used to "probe" the border was not noticed and appreciated in good time: Before the tragedy that befell the 12th Border Troops Subunit the intruders outflanked the subunits and then moved to annihilate them. Moreover, the actions of the gunmen and the mojahedin on the previous day clearly

indicated that there would be a direct attack. So it was no coincidence that Viktor Barannikov was reprimanded and Vladimir Shlyakhtin, the head of the Russian Border Troops, was removed.

Let us recall the first few hours after news of the tragedy that had befallen the 12th Border Troops Subunit became known. Was the reaction of Russia's executive and legislative authorities to these terrible, alarming events adequate? Parliamentarians began a discussion with obvious reluctance, the Kremlin was silent, and the Foreign Ministry failed to react.... Even the overwhelming majority of the mass media viewed the fight at the 12th border guard post as another skirmish, a routine episode in the life of the border. However, this was a well-planned and prepared attack. A very real aggression. With far-reaching political and military goals. Had we realized that and appreciated that the day before or during the initial moments, such a bloody tragedy would not have happened. After all, there were both the forces and the facilities for this. That is why we must all bear responsibility for what happened. And after giving credit to heroism and courage and rewarding the indirect and direct culprits according to their just deserts, we must learn lessons for the future. We have had enough of passing for a nation that is only strong after the event. The tragedy of the 12th Border Troops Subunit, which has been deemed a national tragedy, demands that.

Expected Parliamentary Support for Rabbani Move

PM2807110893 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian No. 20, 28 Jul 93 (signed to press 27 Jul) p 2

[Report on interview with Yevgeniy Kozhokin, chairman of the Russian Supreme Soviet subcommittee on international security and intelligence, by unidentified correspondent; place and date not given; from "6y Etazh" column: "Russian Parliament May Officially Support Rabbani Initiative"]

[Text] In a talk with our correspondent, Yevgeniy Kozhokin, chairman of the Russian Supreme Soviet subcommittee on international security and intelligence, expressed support for Afghan President Rabbani's initiative on holding quadripartite talks on a settlement of the situation in Central Asia's "hot spots."

According to Kozhokin, the idea put forward by Afghanistan's leader "is viewed with understanding by Imamali Rakhmonov"—chairman of the Tajikistan Supreme Soviet. The viewpoint of Uzbekistan, and in particular Karimov, is not yet known. As for Russia, "great efforts on the part of our diplomacy will be needed" in the very near future to make a decision on this matter. It can, however, be more confidently assumed that Rabbani's initiative will meet with support in the Russian parliament—the recent tragedy on the Tajik-Afghan border, as a result of which 25 Russian border guards were killed, will prompt the country's leadership to try to resolve by peaceful means the conflict that has been going on for nearly a year on the southern borders of the CIS.

Latvian President's Reaction to Yeltsin's Letter Viewed

MK2707111093 Moscow SEGODNYA in Russian No. 37, 27 Jul 93 (signed to press 26 Jul) p 4

[Dmitriy Zhdannikov report under the "Baltics" rubric: Latvia's President Had Pleasant Surprise. He May Soon Meet With Boris Yeltsin"]

[Text] Latvian President Guntis Ulmanis "was pleasantly surprised at the tenor of Russian President Boris Yeltsin's congratulatory message." The Russian Federation president congratulated his Latvian counterpart on 23 July on taking the high office and expressed the hope that the Latvian president, who "represents the interests of multinational Latvia, including that part of it which has Russian roots, will be a guarantor of ensuring a real human rights equality in the Latvian Republic." Boris Yeltsin also indicated that "the Russian Federation is ready to expand relations between the two countries in the spirit of neighborly relations and cooperation."

One can really note a lull in Russian pressure on Latvia compared to April when, shortly before the adoption of the law on temporary residence permits for Russian servicemen, Russian Federation authorities issued several protests to this Baltic republic's leadership. Today one can see a more favorable situation in which compromises are sought and crimps are ironed out between the two states that arose in previous diplomatic battles. In a bid to take advantage of this opportunity, President Ulmanis stated his intention to recommend to the Latvian Sejmas to start debating the citizenship issue as soon as possible "in order not to create heightened tensions similar to those prevailing in neighboring Estonia." Ulmanis suggested that the most sensible course of action could be to grant to the entire population of the republic the right to monitor the discussions of the law and voice their views on it.

The president's formula, however, is rather involved, and it is difficult to see from it if all ethnic Russians would be able to obtain Latvian citizenship. "Latvia is striving to be a European state, and therefore everyone who would like to live here and who is fond of this land should have the possibility not to worry for their future." The guess is that it is the first part of the formula about Latvia's striving to join Europe that is the key one. The hearings on Latvia's joining the Council of Europe are scheduled for this fall, and undoubtedly, the Baltic republic has no cause to put the focus on human rights, as they did in Estonia, after international experts have assessed the elections to the Sejmas as democratic and conforming to the European standards.

Guntis Ulmanis also intimated that a new Latvian delegation to the interstate talks with Russia is being formed, and stressed that he was quite happy with the agreements the sides had reached in the previous rounds

on the final pullout of Russian troops before the end of 1993. The choice of figures for the new cabinet shows that the Latvian Sejmas prefers ministers who worked in the previous government. Therefore, it is not ruled out that Janis Dinevic, minister of state in the cabinet of Ivars Godmanis, who has not made it into the current Sejmas, will again be appointed head of the interstate talks with Russia.

President Ulmanis also declared that the first state that he is going to pay an official visit to "will probably be Russia, and preparations for the meeting with Yeltsin are already under way."

Russian Deputies' Presence at Sevastopol Rallies Criticized

PM2707125193 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 93 p 1

[Vladimir Maryukha report: "Flags on Ships Are Different, Loyalty to Duty Is the Same"]

[Text] Black Sea Fleet sailors have received congratulations from the presidents of Russia and Ukraine on Navy Day.

The joint congratulations which Boris Yeltsin and Leonid Kravchuk sent to Black Sea Fleet sailors on the eve of Navy Day express confidence in the endurance and high responsibility of Black Sea Fleet personnel and in their loyalty to their military duty. The presidents informed the sailors that in view of the present situation the Russian and Ukrainian Governments have been instructed urgently to prepare "additional proposals providing for constructive approaches to resolving the problems of the Black Sea Fleet."

This telegram, as well as the organizational measures of the Black Sea Fleet Command, kept the Black Sea Fleet sailors from the unruly rallies where calls were made for the St. Andrew's flag to be hoisted on warships. At the same time the participation of Russian deputies in rallies cannot be called fruitful for the stabilization of the situation in Sevastopol and around the Black Sea Fleet. Particularly as cadre reshuffles on the Ukrainian side are possible on the eve of the Ukrainian Navy's first anniversary, which are also inauspicious for normalizing the situation with regard to unresolved problems. According to available data, Vice Admiral Vladimir Bezkorovaynyy (formerly commander of a flotilla of Northern Fleet submarines), who was seconded to the Ukrainian Ministry of Defense in May of this year, might replace Boris Kozhin, commander of the Ukrainian Navy. On leaving the Northern Fleet, Bezkorovaynyy arrived at the very height of the division of the Black Sea Fleet, and he evidently still has to prove his "adherence to the national idea..."

The Northern Fleet also received congratulations from President Boris Yeltsin on Navy Day. Here two red-letter days coincided—Northern Fleet sailors were also celebrating the 60th anniversary of the fleet's creation. In this connection the best of Russia's fleets also conducted the biggest events, receiving holiday guests and Navy veterans.

Festive events were also held in the Baltic, the Far East, and at Leningrad Naval Base—the procedure for holding them does not change as the time zones change: a sea review, choreographed sports presentations, shows by fleet artistes.

Impact of 'Financial Experiment' on Crimea, Belarus

LD2707114393 Moscow Mayak Radio Network in Russian 0412 GMT 27 Jul 93

[Excerpts] Let us return to the problems caused by the financial experiment. Here is our correspondent in the Crimea, Vladimir Plotnikov.

[Plotnikov] The withdrawal of old ruble notes from circulation has shocked the public. The worst hardship has been suffered by citizens of Russia and other countries in the ruble zone who have come here on holiday. According to the most conservative estimates, there are about half a million of these people in the Crimea. Crimean Tatars returning to their homeland are another category of innocent victims. For years, they have been saving rubles for the move, and now they suddenly find themselves back to square one. Finally, there is a third category of victims: servicemen, above all sailors of the Black Sea fleet, who receive part of their salary in rubles. Most of them spend their leave in Russia and many no longer have money even to buy a ticket for the journey.

Crowds of protesters pleading for assistance have gathered outside the Crimean directorate of the National Bank of Ukraine. What should they be told? This is the question I put to Vera Alekseyevna Kolometyeva, the deputy administrator.

[Begin recording] [Kolometyeva] What instructions do we have at the present time? Only a telegram signed by Ukrainian Deputy Prime Minister Pynzenyk and Stelmakh, deputy head of the board of the Ukrainian National Bank, instructing us to stop accepting ruble notes issued prior to 1993. A huge number of citizens who have arrived here from ruble zone states—not only from Russia, but from other states—are appealing to us. They have come here for holidays, to receive treatment, to attend funerals and courses at treatment centers. At the moment, we are unable to help any of them in any way.

[Plotnikov] In other words, these people who have arrived in the Crimea with rubles have been abandoned to the mercy of fate?

[Komometyeva] Russian citizens here find themselves in a catastrophic situation. They and their children have been left at railway stations without means of supporting themselves, without any way even of travelling back to where they came from, to change their money. The

situation developed overnight, although all the banks knew that Russia was going to withdraw 1961-91 banknotes from circulation.

[Plotnikov] They thought it was going to be a gradual process.

[Kolometyeva] A gradual process, yes. Nobody knew that all the arrangements would be abruptly changed, for the worse as far as Russian citizens are concerned—the ones who are now sobbing outside the bank, outside the Supreme Soviet, who are squatting at the railway stations with their children. [end recording]

[Announcer] And what is the situation in Belarus? Our correspondent Petr Makritskiy spoke to Aleksandr Sorokin, deputy chairman of the board of the Belarua National Bank.

[Begin recording] [Sorokin] Rubles are only being exchanged for payment tickets issued by the National Bank. The Supreme Soviet, the government commission, and the National Bank have decided that declarations must be submitted if over 250,000 rubles in cash are presented for exchange on any one day. This is entirely legal.

[Makritskiy] But what is going to happen with Russian banknotes?

[Sorokin] As a member of the government commission, I am personally responsible for handling this problem. Therefore, I am taking every step to ensure that the Central Bank of Russia supplies sufficient banknotes of the 1993 type. I think that high-level talks will be held very soon with the government and Central Bank of Russia, so that Belarus citizens can get at least the minimum they need for journeys to receive treatment, for business trips and holidays. [end recording] [passage omitted]

[Announcer] In light of that, I wish to remind you that information about the origins of this exercise is still contradictory. According to some reports, Central Bank Chairman Gerashchenko consulted with Supreme Soviet Chairman Khasbulatov before going ahead with it.

Sports Edict Signed in Connection With CIS Agreement

PM2707161393 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 93 p 1

["Edict of the Russian Federation President 'On the Activity of the Russian Defense Sports and Technical Organization'," dated 23 July 1993 and signed by Russian Federation President B. Yeltsin]

[Text] In connection with the signing of the intergovernmental agreement on joint activity in assisting the work of defense sports and technical organizations (societies) of the CIS member states in the city of Minsk 28 April 1993, I decree:

1. The activity of the Russian Defense Sports and Technical Organization in conducting citizens' patriotic education, developing technical, applied, and aviation forms of sport and the technical creativity of young people, and training cadres in mass technical trades and militarily trained specialists for the Russian Federation Ministry of Defense and other Russian Federation ministries and departments is to be supported.

2. The Russian Federation Council of Ministers-Government is to take the necessary measures to implement the agreement on joint activity in assisting the work of defense sports and technical organizations (societies) of the CIS member states and to give state support to the activity of the Russian Defense Sports and Technical Organization.

3. Organs of the executive of republics within the Russian Federation and of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg are to give all possible assistance to the Russian Defense Sports and Technical Organization in implementing regulation tasks.

[Signed] B. Yeltsin, president of the Russian Federation

Moscow, the Kremlin

23 July 1993

New Foreign Ministry Spokesman Karasin Holds Briefing

Views Israeli Action in Lebanon

LD2707160193 Moscow Mayak Radio Network in Russian 1430 GMT 27 Jul 93

[Text] Grigoriy Karasin, director of the Department for Information and Press, spoke today on events in the Near East at a briefing in the Russian Foreign Ministry.

[Begin Karasin recording] Moscow has received with great concern a report on a military action carried out by the Israeli armed forces in south Lebanon. We know that this action was launched in response to the terrorist actions of extremist groups which we denounce in no uncertain terms as undermining stability and security in the region. Incidentally, the question arises whether such an excessive Israeli reaction which led to victims among the Lebanese civilian population is justified. Yes, it is dangerous if there are sites of military confrontation in the Near East. It is especially worrying because at present the Russian and U.S. co-sponsors of the Near East peace process are undertaking diplomatic efforts for the purpose of bringing closer the positions of the participants in the bilateral Arab-Israeli talks and ensuring their progress. Moscow hopes that the sides involved in the conflict will refrain from actions undermining the peace process, on no occasion allow them to escalate, and display maximum self-control and common sense, especially taking into account the present very crucial stage of the Arab-Israeli talks. [end recording]

Welcomes Latvian Decision To Hand Over Parfenov

LD2707144493 Moscow ITAR-TASS World Service in Russian 1349 GMT 27 Jul 93

[Report by ITAR-TASS diplomatic correspondent Sergey Staroselskiy]

[Text] Moscow, 27 Jul—"We welcome the decision of the Latvian president to hand Sergey Parfenov and five other Russian citizens who are serving their sentences in Latvia over to Russia," Grigoriy Karasin, the head of the Department for Press and Information of the Russian Federation Ministry of Foreign Affairs, stated at a briefing held here today.

Moscow, he said, assesses this decision as the readiness of the new Latvian leadership to begin a constructive dialogue with Russia with regard to normalizing mutual relations.

"No doubt such prospects would meet long-term interests of the peoples of our countries," the Foreign Ministry spokesman stressed.

Gives Support for UN Actions in Somalia

LD2707190493 Moscow ITAR-TASS World Service in Russian 1246 GMT 27 Jul 93

[By ITAR-TASS diplomatic correspondent Sergey Staroselskiy]

[Text] Moscow, 27 Jul—Attention in Moscow has been drawn to the fact that the actions of the UN peacekeeping forces in Somalia have recently been giving rise to differing reactions in a number of countries, it was said at a briefing here today by Grigoriy Karasin, the new director of the Department for Information and Press of the Russian Foreign Ministry. "Allegations are also being made that the command of the UN operation in Somalia has become excessively keen on strong-arm measures, and military operations are becoming more and more an end in themselves."

He stressed that Russia "wholly supports the Security Council's resolve to achieve the full and effective implementation of its resolutions aimed at reaching a political settlement in the country."

The Russian Foreign Ministry spokesman repeated Russia's appeal to all Somalian organizations and factions to cooperate to the utmost with UN forces, whose mandate is directed toward overcoming the all-encompassing crisis in Somalia.

Grigoriy Karasin said: "Russia firmly advocates the most rapid settlement to the internal Somalian conflict on a durable, long-term basis of national reconciliation with active assistance on the part of the international community."

U.S. SDI Program Allegedly Continues

PM2707154193 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 93 p 3

[Manki Ponomarev "Military Review": "SDI: Life After Death?"]

[Excerpt] [passage omitted] In May this year the U.S. Administration announced that it was officially abandoning plans to create and launch into space ABM systems based on a new generation of laser weapons and directed-energy weapons. "We are at the end of the era of the 'star wars' program," U.S. Defense Secretary Les Aspin declared at a 13 May news conference in the Pentagon. This decision, he said, "reflects the termination of the urgent program to deploy space arms designed to counter the threat of a full-scale surprise attack by the former Soviet Union, which has diminished to vanishing point." It will be replaced by "a smaller-scale and less costly ground-based ABM project."

So, does it turn out that SDI is dead? Formally, it probably is. Even the organization for implementing it—the SDI Organization [SDIO]—is now called the Ballistic Missile Defense Organization [BMDO] [Organizatsiya po sozdaniyu oborony ot ballisticheskikh raket], and its ranking has been lowered appreciably. But let us not be in a hurry to draw final conclusions. Let us try to examine, at least in very general outline, what the BMDO is meant to tackle.

It has three main tasks. The first one is to develop means of defense against tactical ballistic missiles (theater missiles, to use U.S. terminology). The second is to create a ground-based ABM system to defend U.S. territory against a limited nuclear strike, i.e. GPALS [global protection against limited strikes], into which the former SDI system recently evolved. Finally, the third is to develop new technologies which are promising from the viewpoint of tactical and strategic defense—which, once again, was tackled so strenuously within the framework of the "star wars" program.

So is it possible, after this, to speak of the end of SDI? It is probably a little too soon. Let us resort to what is the weightiest argument in the States and now, it has to be thought, also in our country—his majesty the dollar. In fiscal 1994 Bush requested $3.8 billion for all the SDI programs. Clinton was on the point of agreeing with him. But SDI and the SDIO do not exist now. There is the BMDO. The appropriations for it have been reduced to... $3.76 billion. Yes, you have to be very scrupulous to notice the difference. At least, such an experienced person as Lieutenant General Daniel Graham, retired, former deputy director of the CIA, director of the Defense Intelligence Agency, and adviser to President Reagan, failed to notice it. "To pronounce the program dead and invest $3.8 billion in it?" he exclaimed in bewilderment—a bewilderment comprehensible to us too.

It is not only a matter of money. Congressman John Conyers said: "The administration has given the program a new name and a new image, but it cannot hide it from the very same questions." One of these concerns its conformity (or, rather, nonconformity) with the ABM Treaty. Even a simple list of the tasks entrusted to the BMDO shows that their implementation in full runs counter to some of its requirements. This has been admitted by L. Aspin, who at the same news conference in the Pentagon advocated—albeit very delicately and with reservations—the need to make changes to it.

The final period now seems to have been placed in this matter. In a special letter to Claiborne Pell, chairman of the Senate Foreign Relations Committee, the U.S. Administration recently declared that it was abandoning the policy previously being pursued, which interpreted the ABM Treaty as permitting the development of a space-based defense system, and henceforth intended to abide by a "narrow" interpretation of that document. A correct interpretation of the agreement, the administration's letter states, "prohibits the creation, testing, and deployment of a sea-, air-, space-, and mobile-based system of defense against ballistic missiles, regardless of the technologies used in them."

The statement is clear, unambiguous, and, I will say frankly, long-awaited. And yet work is, nonetheless, continuing on new technologies within the framework of the SDIO or, now, the BMDO. This includes, as the Pentagon's recent report to Congress attests, continuing experiments with a space chemical laser and beam weapons. So, despite everything, the life of SDI is continuing. It is even continuing after its death.

Churkin Concludes Visit to Spain

LD2707204993 Madrid RNE International in Spanish 1300 GMT 27 Jul 93

[Text] Russian Deputy Foreign Minister Vitaliy Churkin has set off back to his country after concluding a brief official visit to Madrid during which he had a meeting with Foreign Minister Javier Solana.

Vitaliy Churkin's return trip was brought forward a few hours because of the situation of political and economic uncertainty that Russia has been experiencing over the past few days, despite which, said Churkin, the situation is not dramatic. After having a meeting on Monday with Javier Solana, the Russian deputy foreign minister spoke to the media and played down the decision by the Central Bank of Russia to withdraw from circulation the ruble bank notes issued between 1991 and 1992.

EC, Western Aid for Russia Viewed

PM2707155393 Moscow IZVESTIYA in Russian 27 Jul 93 First Edition p 2

[Aleksey Portanskiy article: "Everything Is Relative, Including Western Aid for Russia"]

[Excerpts] The European Community [EC] states recently decided to aid economically backward regions of the Community and earmarked a total of around $180 billion over the period 1994-1999 for this purpose. [passage omitted]

Let us not forget that we are talking about a Community that has declared its aim of attaining political and economic unity by the end of the century. By raising the consumption level of the Portuguese, Greeks, Irish, and other residents of backward regions, the EC will not only resolve many of its own political and other problems, but will also see the fairly rapid return of the capital invested.

Can a similar effect be achieved in the former USSR? In theory yes, but incomparably greater investment would be needed for this, and that is not all. Harvard's Prof. Jeffrey Sachs, a "roving advocate of the Western market economy," emphasizes that all the countries who have overcome serious crises this century—such as, for instance, Austria, Mexico, Turkey, Poland, and Israel—have received considerable foreign aid. And in 1953 the United States excused Germany a large part of its debts.

As we know, under the Marshall Plan the United States allocated around 2 percent of its GNP to the postwar restoration of West Europe. Today that would amount to $120 billion.

Of course, no one expects fantastic amounts like that, but $25-30 billion a year for Russia alone is, in Sachs's opinion, quite possible. At the moment Russia is not really receiving that kind of money, although the amount of aid that has been announced is close to the figure cited ($24 billion in 1992).

So, $30 billion a year for a population of around 100 million in backward regions of the EC is, presumably, the level of support that will enable them to largely overcome their lag behind the European level. Obviously, Russia with its population of 150 million requires far more, given the immensity of its problems and its average standard of living, which cannot be compared to the standard of living of a Portuguese or an Irishman. However, we should not expect that.

But we could expect the West to lift the trade barriers to Russian exports and also write off part of the former Union's foreign debt, which would be a natural, logical step for our creditors today. Their agreeing to such measures would not require more effort from them than scraping together the current financial aid. But it seems to be harder to take those steps than to applaud B. Yeltsin's reforms.

Mid-Air Collision Affects MiG-29's Reputation

LD2707120093 Moscow Mayak Radio Network in Russian 0930 GMT 27 Jul 93

[Excerpts] As we have already reported, two MiG-29 planes collided in mid-air at an international air show in Britain. Here is Aleksandr Malikov, our London correspondent, with the details:

[Malikov] [passage omitted] The investigation is expected to last several months. Irrespective of the outcome, it has to be said that the collision between the two Russian fighter aircraft was the first accident in the air show's 20-year history. It is a fact that, out of 200 planes from different countries taking part in the show, it was our aircraft that were involved in the collision. Obviously, this does nothing to enhance the reputation of the MiG-29. It remains for us to hope that business circles interested in acquiring Russian aircraft will treat the disaster at the British air show as a tragic misunderstanding.

MiG Sale to Malaysia Agreed; Russia Not 'Ousting' U.S.

PM2807090193 Moscow IZVESTIYA in Russian 28 Jul 93 First Edition p 4

[Maksim Yusin report: "Moscow and Kuala Lumpur Bank on Military Cooperation"]

[Text] Kuala Lumpur-Moscow—Andrey Kozyrev's visit to Malaysia last week was the first trip by the head of Moscow's diplomatic department to this country, which is pro-Western in its policy, something that for a long time held up the development of its relations with the Soviet Union.

Today there are no ideological obstacles remaining in the way of rapprochement between Moscow and Kuala Lumpur. The Russian minister's visit went smoothly—the sides did not discover any serious disagreements on any issue.

The main purpose of the trip was the talks on shipments of Russian military hardware to Malaysia. After Kozyrev's conversation with Defense Minister M. Najib Russian delegation members told journalists with satisfaction that the protracted preparation of an agreement to sell Kuala Lumpur 18 MiG-29 fighters seems to be entering the final stages. In their opinion, the contract may be signed in August. The Malaysian leadership has finally adopted a political decision on this and only the technical details need to be sorted out.

This deal, the terms of which have been kept secret, will be one of the Russian military-industrial complex's biggest successes on the foreign market in recent years. The fact that the Malaysians have gone against years of tradition and given preference to Russian over U.S. aircraft has caused dissatisfaction in Washington and interest in the countries of Southeast Asia.

In the wake of Malaysia, several ASEAN states—Singapore, the Philippines, and Thailand—have begun preliminary talks on purchasing Russian military hardware. A Thai representative has even visited a plant in Novgorod producing combat helicopters. The Malaysians are also studying the possibility of buying Russian helicopters.

"With Malaysia's help we are able to blaze a trail onto the Southeast Asian arms market," Kozyrev told the journalists who accompanied him on the trip. According to the minister's close advisers, Russia has no intention of ousting the Americans from this region and fighting them for spheres of influence. "This is purely commercial rivalry," a Foreign Ministry staffer responsible for relations with ASEAN said. "We are making no secret of our deals. During a conversation with U.S. Secretary of State Christopher in Singapore Kozyrev informed him of the sale of aircraft to Malaysia."

Demarcation Work Begins on Border With PRC

OW2807092393 Moscow Russian Television and Dubl Networks in Russian 0512 GMT 14 July 93

[By V. Voropayev; from the "Dalniy Vostok" program]

[Text] [Voropayev] Demarcation efforts began at the Far East section of the Russian-Chinese border. It sounds incredible, but it is a fact nevertheless: The border between the two countries has been fairly uncertain for several centuries. Agreements signed in the times of the czars allowed different interpretations, life introduced some corrections, and sometimes our southern neighbors also amended the territories to their advantage by moving border signs in disputed zones. The lack of clear borders has caused complications in the Russian-Chinese relations more than once. The talks dragged on for many years, and they finally concluded last spring with the signing of an agreement which started the demarcation of borders. [video shows interview with Captain A.M. Filonov, chief of the border demarcation group]

[Begin Filonov recording] An agreement from 1991 concerns the latest international norms and the latest developments in the field of determining and marking state borders. These works are estimated to take five years. But the concrete fieldwork for determining and installing border markers is estimated to take three years—in other words, 1993, 1994, 1995. The following two years will be dedicated to processing materials, printing maps, and preparing and submitting all documents for signing by the highest state officials. [end recording]

[Voropayev] All efforts are being carried out through the joint efforts of Russian and Chinese experts. Every mark is checked by both sides so as to prevent disputes in the future. The main goal today is placing temporary boundary markers in the field in accordance with coordinates determined by the agreement signed by the two states. Boundary markers bearing the symbols of Russian statehood will appear here in the future.

Foreign Ministry Aide on Sailors' Deaths in RSA

PM2807103393 Moscow PRAVDA in Russian 28 Jul 93 p 7

[Sergey Filatov report: "Tragedy in Cape Town"]

[Text] As already reported, four Russian seamen have tragically died in the Republic of South Africa [RSA].

On Sunday five armed black Africans burst into St. James Anglican Cathedral in Cape Town, where around 1,000 people had gathered for the evening service, including a large number of tourists. A group of Russian seamen who were in the city that day was among the latter. The terrorists threw two grenades and then began to fire at people at random with assault rifles. Ten people were killed on the spot and 53 wounded.

We contacted the Russian Foreign Ministry in order to find out additional details. Here is what Leonid Safonov, first deputy head of the Africa Administration, said.

[Safonov] At the moment we know three of the names of the seamen who died. They are O.V. Karamzin from the ship Apogey (Sevastopol), A.V. Kayl from the Pantikapey (Kerch), and S.V. Varaksa from the Zefir (Kaliningrad). Moreover, 14 of our people were injured and have been taken to the city's best hospitals. One of the two who sustained serious injuries has just died, but we have not yet been told which.

RSA President F. de Klerk sent a cable of condolences to Boris Yeltsin. Russian Embassy and General Consulate personnel in Pretoria and Cape Town respectively, in conjunction with local organs of power, are ascertaining the circumstances behind what happened. You get the impression that this act was not directed against our seamen. The domestic South African conflict is behind it. In connection with this tragedy we want to state once again that terrorism will not solve any problems, and, what is more, violence undermines the negotiating process begun within the framework of the political dialogue by various RSA forces, L. Safonov stressed.

The killing of innocent people has been condemned by RSA President F. de Klerk, Foreign Minister R. Botha, Nobel Prize winner Desmond Tutu, Archbishop of Cape Town, and the leadership of the African National Congress, the largest opposition party.

We lament what has happened.

Patrol Vessel Detains Polish Trawler in Okhotsk Sea

OW2607140693 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 26 Jul 93

[From the "Pacific Ocean" Program]

[Text] The Russian patrol vessel [name indistinct] has detained the Polish super trawler (Khamaz) in the Okhotsk Sea. It continued fishing operations after entering the Russian economic zone from neutral waters. The offending vessel was escorted to Magadan where the court will decide its punishment.

Meanwhile, more than 20 Polish and Chinese trawlers continue unabated fishing operations in the open section of the Okhotsk Sea and the one and only Russian patrol vessel can scarcely keep check of all the foreigners who are indifferent to the fate of the sea which is so far from their own countries. There are also no guarantees that other crews will not try to enter and trawl in our economic zone, especially now that Russian planes have not carried out patrol flights over the Okhotsk Sea for nearly a month due to a lack of fuel.

Political & Media Issues

Yeltsin Dismisses Security Minister Barannikov

LD2707132193 Moscow ITAR-TASS in English 1314 GMT 27 Jul 93

[Text] Moscow July 27 TASS—Russian President Boris Yeltsin has sacked Security Minister Viktor Barannikov. The decree signed on Tuesday [27 July] said that Barannikov was relieved of his duties for violating ethical norms and serious mistakes, including in managing the Ministry's frontier troops.

The announcement was made by Yeltsin at a meeting with senior officials of the Russian Security Ministry on Tuesday.

Further on Barannikov Dismissal

LD2707140193 Moscow ITAR-TASS World Service in Russian 1325 GMT 27 Jul 93

[By ITAR-TASS correspondent]

[Excerpt] Moscow, 27 Jul—[passage omitted] The minister's dismissal, the president noted, does not cast a shadow on the Security Ministry and its staff. The decision does not signify any lack of trust in the peripheral ministerial bodies and the staff of territorial and other structures. It was stressed at the meeting that the ministry should carry out its tasks to the full.

As for ethical standards, no official is allowed to use the services of commercial or other structures to organize foreign trips for their close relatives and similar things.

A special commission set up by the Russian president will continue to study the circumstances which led to the adoption of the decision dismissing Barannikov.

Yeltsin Makes 'Powerful Move'

MK2807093093 Moscow NEZAVISIMAYA GAZETA in Russian 28 Jul 93 p 1

[G.R. commentary under "Kremlin Secrets" rubric: "Security Minister Fired. Yeltsin Makes Strongest Tactical Move"]

[Text] The dismissal of Security Minister (read KGB chief) Viktor Barannikov "for ethical considerations" was an unexpected and therefore very powerful move by the president. Quite clearly Barannikov possessed evidence with regard to the scandalous "unethical conduct" by both the president's supporters and opponents in government as well as in parliamentary structures. To a certain extent the sequence in which these documents should be disposed of depended personally on him.

Naturally, Barannikov's removal should be viewed in connection with the participation of Security Ministry officers in a search of the office of Yeltsin's loyal supporter, Mikhail Poltoranin. Therefore, this provides a signal as to the limit of the permissible which even the KGB may not overstep.

It is likewise obvious that Yeltsin puts more trust in the Army than in security service officers, whom he has clearly disliked ever since Gorbachev. The leadership of the Security Ministry, whatever one's attitude to this organization might be, is undoubtedly a group of the most informed and politically autonomous people. For this reason alone they pose a great potential danger to any official.

In the days of the March-April political crisis Viktor Barannikov painstakingly demonstrated his loyalty to the president but apparently did not back it up with practical actions, for which he eventually had to pay a price.

Furthermore, the longstanding rivalry between the three structures—the Army, the KGB, and the MVD [Ministry of Internal Affairs] (and also the Foreign Ministry)—is a well-known fact. It seems that the competitors have managed to shove the security service people aside.

Chances are that Yeltsin is afraid that an avalanche of compromising material collected by the vying camps could, not without assistance from the KGB, break the barrier of secrecy and bury the present ruling authority under itself. The logic is simple: One may not touch high-placed democrats, but neither may one touch their high-placed opponents—since the latter, defending themselves, would in turn go ahead with their own exposures. The formulation of the dismissal, unprecedented for a KGB chief (Tajikistan certainly came in very handy), could, however, prove to be very offensive to security service officers, who are well acquainted with the magnitude of other people's sins.

The implications of the dismissal are not unequivocal. On one hand, it is a good thing that the KGB is not so powerful after all. But on the other, does this not mean that another force, uncontrolled by society and even more powerful, is emerging in Russia?

Politically Yeltsin's move is also strong in that it accentuates the president's wish not to enter direct confrontation with the legal opposition. But it can certainly not be ruled out that it is also the implementation of the subject of an anti-presidential plot which is making itself increasingly felt in the pro-presidential press and which will continue to grow as outstanding political and economic problems mount.

Yeltsin Dismisses Two Heads of Services

LD2707133193 Moscow ITAR-TASS World Service in Russian 1140 GMT 27 Jul 93

[By ITAR-TASS correspondent]

[Text] Moscow, 27 Jul—On 26 July, Boris Yeltsin signed an order to relieve Andrey Semenov from the post of

director general of the Russian Agency of Intellectual Property. He had been appointed head of the former VAAP (All-Russia Copyright Agency) last January. Prior to this appointment, the 49-year old journalist Andrey Semenov, better known under his pen name of Andrey Cherkizov, worked as a political analyst on the radio station "Ekho Moskvy."

Another order relieved Boris Furmanov from the post of deputy chairman of the Experts Council under the Russian president. He moved to this post last January from the post of Russian Minister of Architecture, Building, and Communal Housing Services.

Presidential Structures Seen Asleep to NSF Menace

PM2707153593 Moscow IZVESTIYA in Russian 27 Jul 93 First Edition p 2

[Georgiy Melikyants report: "National-Patriots Declare All-Out Offensive"]

[Text] The Second National Salvation Front [NSF] Congress lasted two days—24-25 July. Around 1,500 people took part in it, which was very reminiscent of the familiar picture afforded by the large party congresses of the past. A whole package of formidable resolutions was adopted.

The main document—"Political Decision of the NSF Congress"—proclaims the switch to an "all-out offensive." We have no option: Either we move to a determined offensive and replace the criminal regime or we will be oppressed and lose our homeland—that is how the "new NSF strategy and tactics at the current time" is set out. Let me quote verbatim: "replace the criminal regime." Replace....

After assessing the disposition of political forces in Russia and enumerating its own "successes and failures," the Front put forward the immediate specific task of shaping a government of national salvation accountable to the congress of people's deputies. This government must be given special powers to implement a program of emergency measures to restore order and stabilize the socioeconomic and sociopolitical situation in the country. Of course, the post of president must be abolished "as unwarranted."

After the well-known statements by such NSF leaders as A. Prokhanov that they backed the State Committee for the State of Emergency, their passion for "imposing order" no longer surprises anyone. Nor is it deceptive. There is no need to tell the ordinary Russian citizen what lies behind the "main areas of NSF organizations' work in the new conditions" (they have incidentally been defined as the "conditions for a summer-fall offensive"). It has all been said openly—a fight for the mass media, in particular television and radio, mass actions on the streets, increased efforts to organize a mass workers movement, and work within troop units, law-enforcement organs, and organs of state security. And, as the pinnacle of readiness for the offensive, the creation of "self-defense detachments" to carry out a "series of retaliatory operations in the event of a threat to Russia's constitutional system." Whether such a threat arises or not, the NSF will have its detachments. And they will impose "order."

Thus, the opposition is acting on all fronts. First, the powerful preparatory fire in the Supreme Soviet: A number of legislative acts have been drastically modified, changing the state-legal situation in the country. Then the congress held by the opposition's "strike team"—the NSF. It is quite obvious that the enemies of the president and the incumbent government consider the authorities weak and their positions strong. The inactivity on the part of the presidential structures clearly enables them to feel "confident." Had the president carried out the people's wishes after the referendum, any "summer-fall offensive" would have been impossible.

The atmosphere of hysteria into which the leaders of the NSF want to plunge the country and the people goes hand in hand with populist actions. On the one hand, they cynically announce their anthem to be the song "Holy War," dear to every Russian citizen. On the other hand, the resolution "On the Confiscation of the Population's Money" describes the steps taken by the Central Bank Saturday as a blow to the financial system and working people's interests. An unerring bid to secure applause for their own policy....

And the NSF has declared 19-21 August "days of national mourning." Along with the statement that the NSF "proclaims the beginning of a national-liberation struggle in Russia," this is a challenge to common sense, the people's patience, and society's desire for civic peace and political and economic stability. It was no accident that a number of political organizations, including the Russian National Union (RNU) led by People's Deputies S. Baburin and N. Pavlov, the Party of Russian National Revival, and the National-Republican Party naturally broke with the NSF at the Congress. Incidentally, the leaders of the RNU and the Party of Russian National Revival were cochairmen of the NSF.

But that did not trouble Deputy I. Konstantinov, chairman of the NSF Executive Committee, who said after everything that the Front had "retained its unity, its fundamental social base, and strengthened its organizational structure." The latter comment—regarding its organizational structure—may, moreover, be true. According to I. Konstantinov, the changes to the NSF Rules will toughen the management vertical and enable the amorphous coalition to become a militant movement. In line with the principles of the CPSU, the decisions of higher NSF organizations are henceforth binding on lower organizations.

Do the decisions adopted by the Second NSF Congress affect the actions of the forces that describe themselves as democratic. Or will the lethargy continue—within presidential structures too?

NSF Congress Summarized

PM2707162593 Moscow SOVETSKAYA ROSSIYA in Russian 27 Jul 93 pp 1, 2

[Galina Orekhanova report: "The Second National Salvation Front Congress Has Taken Place in Moscow—Alarm Prompts Consolidation"]

[Text] The Second National Salvation Front [NSF] Congress' two days of work have been extremely complex and tense, demonstrating that there can be neither simple decisions nor smooth, good-humored sessions at a time when the motherland has been brought to the brink of an abyss.

The Second NSF Congress opened in the very same 2,000-seat hall of the parliamentary center in Moscow where the First NSF Congress announced the creation of the National Salvation Front last October.

In the past nine months the NSF has undergone some tough combat training, withstanding the ban under presidential edict and the persecution of leaders of parties and movements making up the front's core. Now the NSF is registered at the Russian Ministry of Justice. The Second NSF Congress attracted 1,048 delegates from 55 regions of Russia, as well as from so-called "neighboring foreign countries" (Latvia, Estonia, Ukraine, Belorussia [sic])—in fact, from almost all USSR republics.

Why was the congress convened? Its chief and fundamental task was to "synchronize watches," to give a political evaluation of the situation in the country, and to define the tasks and tactics of the broad front of the patriotic movement. A political evaluation and a plan of action was expounded at the congress both by I. Konstantinov and I. Shafarevich, co-chairmen of the NSF with whose reports the congress opened, as well as representatives of regional NSF organizations (from Smolensk, Tula, Yekaterinburg, Narva, Moldova...) and party and movement leaders—A. Prokhanov, G. Zyuganov, M. Astafyev, N. Pavlov, N. Lysenko, V. Ivanov, S. Umalatova, A. Makashov, S. Baburin, S. Terekhov, E. Volodin... The result of the extremely heated discussion which unfolded in the battle of political evaluations of Russia's present-day position was that a general "Political Decision by the Congress" was hammered out, in which it is stated: "Today Russia is experiencing what is perhaps the most difficult and frightening period in its history. Every sphere of life of its social and state organism has been enveloped in the deepest of crises, the composite elements of which are: the state-institutional crisis and the breakdown of management structures; the collapse of the national economy and the impoverishment of millions of people; the crisis of the nation, its demise and degeneration; the geopolitical catastrophe, the loss of defense capability, and the threat to national security—all of this poses the threat of squandering the national independence of our motherland.

"The country can only be saved from ruin by a radical change of policy. The ruling clique, infected by the viruses of treason and corruption, carrying out the social and political bidding of the West, openly pro-American and blatantly Russophobic, does not want to change anything, nor can it. Only the people itself should decide its own fate: either it loses the motherland and becomes enslaved, or it wrings the neck of a putrid regime and puts its own house in order." "The Political Decision of the Second NSF Congress" offers an analysis of the activity of the executive, the Supreme Soviet, and the deputies' corps, notes the degeneration of the democratic movement, and analyses in detail the opposition's successes and failures.

The Second NSF Congress adopted the following resolutions: On the Soviets as a Form of Government by the People [narodovlastiye]; On Abolishing the Post of Russian Federation President and the Entire Presidential Apparatus [vertikal] as Have Not Proved Their Worth; On the Loss of Russia's Scientific Potential; On the Sovereignization of Russian Territories; On the Russian People's Right to Reunification; On the Privatization of State Property; On the Parliamentary Genocide Commission; On the Position in Moldova; On Support for Political Prisoners in Vilnius; On Sevastopol; On the Withdrawal of Bank Notes; as well as a number of other resolutions.

A question on the opposition's switching to offensive tactics and, in this connection, on altering the structure of the NSF leadership was raised at the congress, as could have been anticipated insofar as this was declared on the eve of the congress by a number of NSF leaders, notably I. Konstantinov. Differences of opinion were revealed here, expressed with absolute precision by members of the NSF leadership. If you endeavor to determine the line of the watershed and the position around which the thrust of the ideological debates centered, then it is possible to pick out two viewpoints. The first, shared by the left wing of the NSF and the centrists, is that Russia's revival is impossible without a revival of the USSR: The second is that Russia must save itself. Substantiating this view, N. Pavlov cited horrifying statistics on Russian deaths in the last two years alone—204,000 people were killed by the ruling regime in 1992 alone. In the first quarter of 1993, 173,000 Russians perished. Highly nationalistic stances were defended in speech by N. Lysenko, chairman of the National-Republic Party, and V. Ivanov, chairman of the "Russian Party of National Revival," who underscored the crisis of Russians as a nation. However, the perspective on the problem broadened extraordinarily when Yelena Dmitriyevna Varfolomeyeva from Chisinau spoke on the second day of the congress (held as a closed sitting, without media participation). She told of the monstrous discrimination against Russians in Moldova—doctors are not allowed to speak to patients in Russian during a consultation, Russian schools are being closed, Romanians are being enrolled at kindergartens for Russian children, the admission of Russian students to university has been drastically reduced, instruction in Russian at vocational and technical colleges has ceased altogether, and Russians are being driven out of all state positions. A

question by Varfolomeyeva addressed to the congress—"What do we expect from Russia?"—brought many to their senses. "Russia has no right to abandon us. Just as you were able write us off, so will you be able to bring us back into the fold."

Likewise, a terrible picture of discrimination against Russians suddenly finding themselves abroad was portrayed in speeches by other delegates from neighboring foreign countries. And that there should be constructive progress in the concluding stage of the congress after this explosion of emotional fervor stood to reason. Questions on the organizational restructuring of the NSF leadership will be resolved in line with the rules at a sitting of the National Council, and first and foremost the Political Council. Only one actual organizational amendment was implemented at this congress: On behalf of the Russian National Union, N. Pavlov announced the Union's withdrawal from the NSF, reassuring the congress nevertheless of its unaltered future service to Russia in the struggle against the existing regime.

Did the congress succeed in fullfillng the tasks facing it as the working organ of the NSF? The most precise answer to this question can be found in G. Zyuganov's speech:

"In my view, the NSF formulated three classic tasks at its first congress:

"1. To guarantee Russia's territorial integrity;

"2. To preserve the potential of the country's development;

"3. To secure without fail the occupying regime's resignation.

"We have realized all these tasks to some extent, but not one of them has been carried out in full. In essence, two parties have formed in the country: a party which talks about 'this country' and which is to all intents and purposes a fifth column within the state, and one which talks about 'our country' and tries to preserve and defend it. The 'our country' party is gathering momentum today and can unite very varied social strata.

"If you look closely at the mosaic of opposition to the regime and this policy, then you will discover all of a sudden that in the last few months alone the following have come forward on a united basis:

"1. country-dwellers and farmers;

"2. the military industrial complex, and the scientific sector;

"3. students and teachers;

"4. foresters and ideologists. Everything they have mentioned at their meetings, demonstrations, and gatherings almost wholly coincides with our political platform, and as such they are our most reliable allies.

"The whole question rests on the manner in which to ensure the organized unity of all these forces' actions in the immediate future. It seems to me that every member of our front, of the political parties and movements must make contact with the leaders of these subunits and organizations in their own locality. I have just returned from a trip to the Far East and Siberia, and I want to tell you that there was not a single leading enterprise manager, economist, and organizer, landowner, or scientist who would not want to meet and agree a system of mutual action. In this connection, it seems to me: There are a number of major enterprises where we can conduct our political policy and secure unity of actions immediately.

"A major economic conference where representatives of our vanguard sectors, directors, and commodity producers will convene, will take place 27 and 28 July.

"A celebration of the 50th anniversary of the Orel-Kursk Battle—the battle in which a shattering blow was dealt in the Great Patriotic War—will take place 4 and 5 August in Belgorod and Kursk, and representatives of all regions and all peoples will attend. A chance will exist there to tell all traitors of Russia directly that for them there will be a new Orel-Kursk battle, and with this battle we will begin our offensive.

"According to the policy of its political movements and organizations, the NSF must declare 21 and 23 August national days of mourning. On these days, we can express a moral protest against those who have committed acts of violence against the country. Furthermore, a congress of USSR peoples, set to take place here in Moscow, will convene 20 September. For us, this congress provides a chance to appeal for unity and solidarity."

With this appeal for the unity of all forces, the Second NSF Congress concluded its work. I repeat, the work was complex, emotionally charged, and laborious. And it could not be otherwise: The congress brought together people genuinely suffering with all their heart for the fate of the motherland—people who have withstood the serious betrayal of national interests, but who are ready for a selfless battle for the victory of the motherland's vital interests.

Possibility of Burbulis 'Abandoning Yeltsin' Mooted

PM2707160193 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 93 First Edition p 3

[Aleksandr Meshkov report under "News Conference" rubric: "Is Burbulis Abandoning Yeltsin?"]

[Text] Gennadiy Burbulis has held a news conference in Moscow's Slavyanskaya Hotel. A curious detail: Most of the assembled journalists were foreign publications' correspondents.

Of course, it is not worth boring readers and relating the vocabulary which lecturer Burbulis used to demonstrate his black-and-white vision of the world, but one thing drew the attention of the few people present. It was calling those he defined as "pragmatists" his possible

new allies. Burbulis suddenly started talking in detail about what representatives of this bloc **might say** and how they will define their attitude toward the main political forces.

But because they were not the statements of the "pragmatists" themselves but an apparent exposition of their program by Burbulis, suspicion started to creep in: Is Gennadiy Eduardovich not expounding his own thoughts; is not this program, addressed via foreign mass media to the West's leading forces, not his program? When he stated that "the existing authorities headed by the president possibly wanted something better, but things did not in fact turn out that way...", it became even clearer: No, it is not the "pragmatists" saying this. Then who? Is it not the president's closest associates who, through Burbulis, are letting it be known that Yeltsin has lost but hopes must be pinned on them to maintain his course?

Paper Elucidates Law on Federal Elections

PM2807093193 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 93 p 2

[Unattributed report: "How We Are Instructed To Vote. On the Draft Main Provisions of the Law on Elections of Russian Federation Federal Assembly Deputies"]

[Text] There has recently been much argument over the new parliamentary elections. One of the questions most under discussion is that of the procedure for these elections. As is known, on 12 July 1993 an inter-section group of the Constitutional Conference submitted the draft main provisions of the Law on Elections of Russian Federation Federal Assembly Deputies to a plenary session of the Constitutional Conference. What is there in the draft that is new?

State Duma and Federation Council

Above all, the elections themselves—to the State Duma and the Federation Council—are the draft's obvious innovation. The State Duma consists of 450 deputies, with half of them being elected on the basis of a majority system from single-seat (one district—one deputy) electoral districts being formed in the components of the Russian Federation, and the other half on the basis of a proportional system from an all-federal electoral district.

Deputies of the Federation Council are elected from two-seat (one district—two deputies) electoral districts being formed in the components of the Russian Federation. During elections to the Federation Council each voter will cast his vote only for one candidate.

It is proposed that lists of candidates for the State Duma elected from an all-federal electoral district will be nominated by electoral associations, and for the State Duma and the Federation Council from single-seat electoral districts by voters' groups and electoral associations.

With regard to funding, the organization and holding of elections are funded directly from the state budget, and campaign agitation measures both at the candidates' own expense and with voluntary donations.

How To Become a Deputy

There is in the draft an Article 13 which establishes, in particular, that "administration officials, employees of law-enforcement organs, and servicemen cannot run for election as deputies unless they were discharged three months before the voting date or ceased fulfilling their former official duties in another form." In the event of failure (nonelection or denial of registration), however, the aspirant to a deputy's seat has the right to return to fulfilling his former duties in the same post and on the same terms.

On the question of how many candidates one electoral association can nominate. For registration with the Central Electoral Commission an electoral association can submit, first, not more than one all-federal list of candidates and, second, the number of candidates can exceed the total number of deputies' seats in the State Duma, but not by more than 10 percent.

For registration of an all-federal list of candidates the signatures of no less than 200,000 voters must be submitted in support of it, and no more than 15 percent of them must come from one component of the Russian Federation.

It is also proposed to apply the following rule: If not one all-federal list of candidates has been registered or just one such list has been registered within the time indicated in the law, elections from lists are not held. Thus, in elections to the State Duma single-seat electoral districts are converted into two-seat electoral districts.

The nomination of candidate deputies of the Federation Council is envisaged, in principle, in the same way as for the State Duma, but at the same time, for the nomination of a candidate acting independently of the electoral association which has registered an all-federal list, it is necessary to collect in support of him the signatures of at least 2 percent of the total number of the district's voters or simply 25,000 signatures. A candidate deputy of the Federation Council must have a permanent domicile on the territory of the republic, kray, oblast, autonomous district, or city of federal significance where he is running for election.

Determining the Results

The results of elections to the State Duma in an all-federal electoral district are summed up by the Central Electoral Commission. Lists of candidates which received less than 5 percent of the votes are excluded. Each of the valid all-federal lists receives a number of deputies' seats in proportion to the number of valid votes cast for it. Then candidates elected to the State Duma from single-seat electoral districts are excluded from each all-federal list. Deputies' seats are given out to

candidates in strict accordance with their order on the lists. If the list of candidates of an electoral association was broken down on registration into regional groups of candidates, then seats are also distributed among these groups within the list in proportion to the share of the votes cast for this list in the corresponding component of the Russian Federation or their group. Candidates located at the start of the corresponding regional components [sostavlyayushchiye] of the general list are considered elected.

Elections are deemed invalid if fewer than 25 percent of registered voters participated in them. The following provision is also noteworthy: It is forbidden to publish the results of public opinion polls for 10 days after election day.

The results of elections to the Federation Council are determined in an analogous way to the results of elections to the State Duma.

TV Broadcasting To Be Reduced at Least 40%

LD2807074493 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 27 Jul 93

[From the "Novosti" newscast]

[Text] There is a danger that we will be watching television less and less. A sensational statement was made today at a conference on the prospects for the development of television and radio. Deputy Communications Minister Mikhail Yelizarov said that the broadcasting by all-Russian and regional state television companies must be reduced by at least 40 percent.

Yelizarov expressed sharp dissatisfaction with the content of many programs. He is convinced that there should be a reduction in television broadcasting and radio broadcasts in the morning, during the daytime, and also late in the evening. In the view of the heads of regional television, the time freed from television and radio programs will be handed over to commercial structures of the Ministry of Communications.

Sakhalin, Kurils Media Workers Threaten Strike

LD2707144193 Moscow Mayak Radio Network in Russian 1300 GMT 27 Jul 93

[Text] Between 1900 and 2000 hours local time today in Sakhalin and the Kuril Islands, radios and televisions will not be working. Communications workers from the oblast radio and television center are thus trying to draw the authorities' and public's attention to their perilous situation and also to remind the Russia and Ostankino TV stations and the local Sakhalin TV company of their enterprises' debts, amounting to more than 120 million rubles.

Moscow International Radio Head on Services

OW2707105193 Moscow Ostankino Television First Channel and Orbita Networks in Russian 1845 GMT 20 Jul 93

[Studio interview with Armyan Oganesyan, chairman of Moscow International Radio, by Mikhail Solntsev; date not given; from the "Utro" program—live or recorded]

[Text] A while back they used to say, the Hand of Moscow [Ruka Moskvy] and also, the Voice of Moscow [Golos Moskvy], and what they had in mind was the international broadcasts which emanated from Moscow. They still exist today; however, they are experiencing bad times and the transmitters located in Chita and directed at foreign countries in the Far East, are partly silent. To find out what is happening with the Russian international broadcasting service we decided to ask Armyan Oganesyan, chairman of Moscow International Radio, Armyan, good morning!

[Oganesyan] Good morning.

[Solntsev] And so, are the transmitters really silent?

[Oganesyan] Yes, the transmitters in Chita have been silent for the past three or four days and while suffering this silence we have been bombarding Chita and the Communications Ministry with telephone calls. I honestly do not know who else to approach.

[Solntsev] You have been working for foreign broadcasting, now known as Moscow International Radio, for nearly 20 years and know everything from A to Z. Once it was a massive propaganda machine directed at our potential friends abroad; how is it now, whom and of what are we trying to convince them?

[Oganesyan] Now, I would say news and culture has replaced the propaganda. Nowadays, we have much more material of this sort and, of course, we no longer broadcast such massive propaganda. In principle, geopolitics usually replace ideology. Simple state interests, which every country has, and, of course, we are called upon to argue and support them. So, we have moved from ideology to news, defense of state interests, disseminating knowledge of our Russian language,—incidentally, we broadcast Russian language lessons—and cultures of the people of Russia.

[Solntsev] As we know, information is also not a bad weapon, and how it can be turned to appear almost impartial and at the same time insert a couple of words which would be sufficient...

[Oganesyan, interrupting] Certainly, certainly! Well, President Clinton is often asked; what concepts of broadcasting do you have, give us your concepts, and so he did, not only to us but probably to all foreign broadcasters. It is very simple... [pauses] he formulated it recently. He gave Voice of America [VOA] a whole heap of compliments, dragged the normal financing through Congress, and well, generally speaking, transmitters there are not

idle. He very simply and concisely said; the American vision of the world, American security, and American economic interests. If we apply this to our country then it is the same thing, the three basic pillars.

[Solntsev] The Russian vision of the world...

[Oganesyan, interrupting] The Russian vision of the world, of course, Russian security, and Russian economic interests. Incidentally, in recent times, there has been a noticeable lean to the latter, namely economic issues, in all broadcasts of the BBC, VOA, and Moscow International Radio. This is because we still have barriers in the way of trade and there is little recognition of our goods and equipment which are entirely competitive. There is such a segment on radio so there is no need to beat our breast every time and this is also part of our task after all.

[Solntsev] Tell us Armyan, I also worked in foreign broadcasting at one time and we had a well known saying—the tomb of the unknown soldier. In fact, viewers could say right now, why are they discussing something that does not bother us in the least? Or do you consider that our people should be concerned that the truth about us should reach the furthest points of the world?

[Oganesyan] As I once asked in an interview; who would you rather talk about you, a person who knows and loves you, or a stranger? Naturally, logic dictates that it would be better if it was someone who knows and loves you. And now, of course, we can see that the picture of our history and our present day is a complicated one. This uneasy and complicated picture of us can be farmed out to strangers to talk about, to cold analytical, clever, and even astute people, but people who do not have a sufficiently deep knowledge of us and do not have a sufficient love towards us. So we must understand and perhaps awaken some kind of a feeling of patriotism within us, and we must ask ourselves; do we want to have foreign broadcasting like any other civilized country with a rich culture? Or are we moving away from that by not financing it and condemning the technical development of foreign broadcasting to oblivion, thereby standing to lose a lot in the future. I am certain that in the future, when the situation is stabilized—and I hope that it will be at sometime—they will simply not forgive us for losing the broadcast frequencies, because that is a national wealth. At present, many radio stations, not only state ones incidentally but also commercial and international ones, are prepared to fight and pay large amounts of money for every international frequency. That is why if we give up these positions in international broadcasting because of the pressure of problems in which we find ourselves by simply burying our technology, equipment, and transmitters now, then we will regret it later but will not be able to do anything about it.

[Solntsev] I do not want to offend our journalist colleagues from ITAR-TASS, however, they are often late with the news in comparison with other world news agencies and radio and television news services. This is quite obvious from the tapes; however, the question that arises is, how operationally competitive are you in the information field with, lets say, VOA or the BBC?

[Oganesyan] We are completely competitive because we do not depend on ITAR-TASS alone. We receive all the major agencies as well as our own fairly well known INTERFAX for instance, and we are connected to the electronic mail network. So, in this respect, the issue is not only not to be late, but to be able to present this news in a timely fashion and in such a way, as you put it at the outset, that it satisfies the direct missions of which I spoke. Incidentally, there is no need to be coquettish here and there is no need, I think, to say that at present we are handing out party favors on the air, and that we do not coordinate at all with where our interests lie. No, broadcasting simply cannot exist otherwise, it simply becomes another entertainment program.

[Solntsev] Yes, so the question is this: previously we had the CPSU which handed down directives to us to carry out campaigns on say, China or the U.S., it does not matter exactly; who sets the tasks for you now?

[Oganesyan] Previously, I headed the English International Service and now I head foreign broadcasting, namely Moscow International Radio, and I can honestly guarantee that I have never received any telephone calls directing me where, how, or what to broadcast. Everything is planned by professionals. We often have conferences and brief meetings, of course, and develop general strategy and tactics. In general, we think that for foreign broadcasting to find its place in the world, it should not only feed on internal juices, but there should be a consultative council like in other countries, comprised of major specialists from the cultural, diplomatic, economic, and foreign economic spheres. We are creating just such a council.

[Solntsev] Do you have data on the reach of Golos Moskvy, who receives it, and your audience?

[Oganesyan] Yes, we have audience data and it may surprise many people. In general, we still reach every point on the globe and the only thing that has been reduced is the number of languages. There were more than 70 and now we have 46, which is about equal to the international standard of 30-40 languages. However, according to calculations of research centers abroad, particularly the BBC—not our own—we have a regular listening audience of 100 million, an audience which regularly tunes in at least once a week. By comparison, the BBC has 120 [million]; VOA, 85 [million]; and 27 [million] tune to the German wave. Incidentally, during the Persian [Gulf] war—this is a notable fact about audibility—we were phoned from the U.S. and asked if we could relay the results of American football matches to U.S. soldiers, which interested them very much. We asked them if they could not do it themselves and the answer was: No, believe it or not, VOA cannot reach Saudi Arabia and those spots.

[Solntsev] Well, and did you pity the American soldiers?

[Oganesyan] You know, we took pity on our own specialists in Iraq because we were immediately told, and on that occasion we, in fact, also phoned the Foreign Affairs Ministry for advice. We were asked not to do it because there were some tensions surrounding our specialists in Iraq at the time and had they found out that Moscow Radio was making special broadcasts for U.S. soldiers, it could have caused a lot of harm. This was a strong argument, even though we would have liked to test our audibility.

[Solntsev] Of course, this was one of the lighter moments, nonetheless, it is being claimed that people are leaving you...

[Oganesyan, interrupting] Yes.

[Solntsev, continuing] ...and that two, three, and four journalists of, and I will not hesitate to use the term, high professional caliber leave every day?

[Oganesyan] Well, two or three is a bit strongly put. Two or three leave perhaps each month, however, two or three also come. True, they are young and need to be trained, but please understand, we are not competing in the level of wages—and this is one of the results of some neglect of foreign broadcasting—we cannot compete with the numerous SP [joint stock enterprises] and with the numerous commercial organizations who pay much more. Sometimes, particularly specialists who have a foreign language capability and who can freely translate material, conduct discussions, work as interpreters or reviewers or as anything else, get part payment in foreign currency. Recently there was a placard...

[Solntsev, interrupting] Not only at your place...

[Oganesyan] Not at our place! Recently, after a payday, there was a placard hung at Moscow Radio: Thanks to Moscow Radio for wages of 13,000 rubles. Moscow Radio is not to blame here because the budget determines the level of wages paid. Nevertheless, these are completely incomparable things. Only enthusiasts remain, those we call fanatics, but in the good sense of the word.

[Solntsev] Well, it is good that they stay and we will not complain too much about life. I think that wages will be increased, but the fact that Golos Moskvy is nevertheless heard all over the world as you say, is gratifying.

[Oganesyan] Thank you.

[Solntsev] Thank you, guest of the "Utro" program, Armyan Oganesyan, chairman of Moscow International Radio.

Government Decree on 'Mir' TV, Radio Company

PM2607123793 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 93 First Edition p 5

[Decree No. 642 of the Russian Federation Council of Ministers-Government "On the 'Mir' Interstate Television and Radio Broadcasting Company," signed by V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government, and dated Moscow, 12 July 1993]

[Text] With a view to implementing the agreement on the creation of the "Mir" interstate television and radio broadcasting company signed in Bishkek 9 October 1992 by the heads of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, and Uzbekistan, as well as the joint decisions signed by the governments of these states in Minsk 22 January 1993 and 28 April 1993, the Russian Federation Council of Ministers-Government decrees:

1. That the Russian Federation Ministry of Press and Information and the Russian Federation Ministry of Finance register the "Mir" Interstate Television and Radio Broadcasting Company (hereinafter the "Mir" ITRBC) as a mass medium and as a closed-type international joint-stock company.

2. That the Russian Federation Ministry of Foreign Affairs submit an initiative to hold talks with interested states regarding the conclusion of an agreement envisaging legal guarantees for the "Mir" ITRBC and its personnel to freely and independently carry out their professional activity on these states' territories.

3. That the Russian Federation Ministry of Finance:

make provision, when clarifying the Russian Federation republic budget for 1993, for expenditure arising from shared participation in the funding of the "Mir" ITRBC of 910 million rubles [R], including R200 million to be incorporated in the "Mir" ITRBC's corporation capital as the Russian Federation's share and R710 million for the preparation of television and radio programs and the "Mir" ITRBC's upkeep;

annually make provision in the Russian Federation republic budget for spending arising from shared participation in the funding of the "Mir" ITRBC's activity in accordance with the amount of broadcasting prescribed by the company's coordinating council.

4. That cognizance be taken that questions of cooperation and relations between the "Mir" ITRBC and the "Ostankino" Russian State Television and Radio Broadcasting Company be decided by an agreement, taking into consideration the provision of conditions enabling the "Mir" ITRBC to exercise its prescribed functions.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government.

Economic Issues

Economic Conference Participants Air Views

LD2707185793

[Editorial Report] Moscow Russian Television Network in Russian at 1530 GMT on 27 July carries a 15-minute report, introduced by correspondent Yelena Ozrina, on the All-Russian Economic Conference now under way. Ozrina says that the conference was opened by Ruslan Khasbulatov, and then plays a recording of an excerpt of his speech.

Khasbulatov says: "I think that every politician and everyone concerned about the country's future are pondering the question of what should be done to ensure that the country can overcome its—primarily—economic difficulties as soon as possible and that the reforms for which people have made sacrifices do not get bogged down. In the most general aspect, the answer is clear: The economic and political system which existed should undergo deep, consistent, and comprehensive reforms toward the democratization of society and a socially-orientated market economy. Society seems to show understanding and accord on this issue, especially considering the fact that for some time already the president, leading entrepreneurs, and the government have taken up the concept of socially-orientated reforms which we have been mentioning for two years. However, we would like to find agreement on the way this concept is interpreted.

"Discussions, which sometimes, unfortunately, turn into conflicts and confrontations, involve other problems: What are the methods of implementing reforms, what priorities should we have, is the social price for fundamentally changing the pattern of our socioeconomic development too high?"

Ozrina then says that Academician Leonid Abalkin was the second speaker at the conference; he proposed introducing stricter state controls of the economy. Nikolay Travkin then criticized the money exchange operation.

During a break in the conference, Ozrina interviews several participants asking them about their attitude to Abalkin's proposal to introduce stricter state controls of the economy. S.N. Khadzhiyev, director general of the Groznyy research institute for petroleum, says he would like to see greater control of production but not of distribution. O.R. Latsis, doctor of economic sciences, says the conference is a political event and he does not expect much of it. Abalkin's call for greater control of the economy is nothing but yet another slogan, he says. V.N. Fedorov, a Russian people's deputy, says that he favors Abalkin's idea and adds that the Ministry of the Economy also supports it. V.O. Ispravnikov, deputy chairman of the Russian Supreme Soviet, says he regrets that the government is not represented at the conference, since joint efforts are required today.

Conference Opens Amid Crisis

PM2807133793 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 93 First Edition p 1

[Valeriy Zenkov report: "All-Russia Conference. The Government Is Outside the Economy"]

[Text] The All-Russia Economic Conference has opened in Moscow. Its participants note that Russia is experiencing possibly the most grave and terrible period in its history. All spheres of life of its public and state organism have been gripped by a most profound crisis.

Ruslan Khasbulatov, chairman of the Russian Federation Supreme Soviet, delivered a report at the conference giving an assessment of the current socioeconomic situation.

Participants in the conference awaited a government representative's speech with particular interest. As we know, both the Supreme Soviet and the government made preparations for the current meeting. Invitations signed by the leaders of the legislative and executive branches were also sent out to the regions. It had been announced the previous day in the House of Soviets that Victor Chernomyrdin would appear at the conference on behalf of the government. But the premier unexpectedly went to Saratov on the event's opening day. That is why, according to the program distributed to conference participants, Oleg Soskovets, first deputy chairman of the government, was due to speak immediately after the Supreme Soviet chairman. But he did not appear either.

The time allocated to him was therefore used by Leonid Abalkin, director of the Russian Academy of Sciences Economics Institute. Whether there is a way out of the deadlock which the Russian economy is in and what is the way to overcome the crisis—that was the leitmotiv of his speech.

When they recessed, the conference participants had simply failed to receive an answer to the question: Will there be a government report?

After the break the floor was given to Russian Federation Vice President Aleksandr Rutskoy. He did indeed give an answer to the question that everybody was interested in.

"'Democratic Russia' has banned the government from participating in this conference," he said. "I am making absolutely nothing up. There is 'Democratic Russia's' statement in which its political council expressed its negative attitude toward the government's participating in the All-Russia Economic Conference."

Georgiy Kostin, general director of a defense association from Voronezh, developed the same thought. He noted that the directors' corps, as well as many economists and entrepreneurs, were for a long time completely unable to entertain the thought that the destructive actions taking place in the country could have a sensible logic. The situation has changed: The crisis has gone so far that the collapse of the economy and state has become a reality.

In response a process of the unification of all the country's healthy forces has begun. This is manifest above all in the work of the roundtable, in which the Supreme Soviet and government have spoken with double force. The present conference was to have been the logical continuation. By ignoring it, government leaders have effectively put themselves outside the country's economic area.

Khasbulatov, Rutskoy Criticize Government

LD2707173193 Moscow Russian Television Network in Russian 1600 GMT 27 Jul 93

[By correspondent L. Ioffe; from the "Vesti" newscast]

[Text] [Announcer] An All-Russian Economic Conference opened in Moscow today. Despite the fact that agencies had earlier reported that Khasbulatov and Chernomyrdin would co-chair the conference, the premier was not in the hall; at the time, he was familiarizing himself with the harvest work in Saratov oblast. Nor were other government members present at the conference. Valeriy Zorkin, chairman of the Constitutional Court, and Aleksandr Rutskoy, vice president, were present at the forum.

[Ioffe] The economic conference is linked to a Supreme Soviet idea. That is why—as distinct from the constitutional conference—the parliament speaker [Khasbulatov] was able to address it unimpeded for half an hour. He said: We are reformers. Here he had both parliament and the government in mind. He did, however, emphasize that a sharp struggle is under way, revolving round the ways to be followed in the future.

All areas of government work—whether privatization, finances, or the agrarian reform—were subjected to sharp criticism by Khasbulatov. True, no clear-cut alternative was proferred. Khasbulatov again called for halting the decline in production, for developing the consumer sector, and for taking reforms to the regions. Precisely how? This was not spelled out, either.

The vice president also devoted the greater part of his speech to criticizing the government. As for other speeches, those of the theoretician Abalkin and the practical Travkin were heard with most attention. Most speakers recalled the already somewhat forgotten advantages of socialist planning and regulation.

Government Absent From Conference

PM2807124793 Moscow IZVESTIYA in Russian 28 Jul 93 First Edition p 2

[Sergey Leskov report: "Economic Conference Proceeds Without Government Leaders"]

[Text] The All-Russia Economic Conference began work at the Russian Supreme Soviet Parliamentary Center on Tuesday, 27 July. The organizers intend that the conference should carry discussion of the most important problems of economic reform out of the politicians' offices into the broad public domain.

The conference is regarded as a continuation of the recent round-table discussion which drew up recommendations for programs of anticrisis measures and the development of reforms in Russia. At the beginning of July Supreme Soviet Chairman Ruslan Khasbulatov and Prime Minister Viktor Chernomyrdin signed a Declaration of Common Economic Accord on the results of the round-table conference. However, the first sensational event of the all-Russia conference has turned out to be the absence of the leadership of the Council of Ministers. The makeup of the presidium—A. Rutskoy, R. Khasbulatov, V. Sokolov, V. Ispravnikov, and V. Gerashchenko—speaks volumes on its own. As Supreme Soviet Deputy Chairman Yu. Voronin commented, "political game-playing" has started up in the last couple of days, as result of which the government has not honored the conference with its presence.

But the report delivered by Khasbulatov gave a rough idea of the reasons for the government's absence. In his own manner the parliamentary speaker called for consolidation of the Russian leadership and all forces in society and then immediately started talking about his opponents in sarcastic and coarse terms. What is the point, for example, of this description of Gaydar: "The young man's gotten himself completely confused." Khasbulatov assured the assembly that there are powerful forces in both the government and the Supreme Soviet which would like to settle the artificially blown-up conflict. At the same time he accused his opponents of an insane commitment to monetarist policy and of uprooting major industrial associations in the guise of privatization. The speaker assured people that the Supreme Soviet, which he leads, cannot be intimidated and that parliament will instill order in the management of the country. The last Supreme Soviet session, notorious for a number of conflict-provoking decisions, was described by the speaker as "incredibly productive."

Perhaps only the appearance of Russian Central Bank Chairman Gerashchenko on the rostrum produced a unanimous response in the hall. Gerashchenko reported that the latest action on money exchange was conceived back in the spring but had been frustrated for techical reasons The main objective in exchanging the old bank notes was a desire to determine which of the former union republics will remain in the ruble zone and on what terms, not to combat the mafia and the shadow economy. Gerashchenko said that the Central Bank was—even without public pressure—intending to alter certain rules of exchange, and therefore the president's decree is of no particular import.

The conference continues in line with a familiar scenario: Pessimistic forecasts by Academician L. Abalkin were succeeded by Rutskoy's very familiar noisy tirades against economic blunders and crimes. And here again the government's absence is understandable: The vice

president waxed wrathful about the fact that the "Gaydarnomics," which he despises, are still being foisted on Russian society.

By the recess the hall was half-empty. The delegates selected at regional conferences realized that the conference had turned into a rally which was scarcely capable of drawing up effective mechanisms of economic reform. Indeed, even with an ideal turn of events, we are a long way from that. The conference recommendations are to go back to the regions, but it is not known when the Supreme Soviet will be assembled after discussion of them at local level. Nor again is it clear what the role of government is here, whose status requires it to implement economic transformations.

Conference Adopts Statement

LD2807134793 Moscow ITAR-TASS World Service in Russian 1252 GMT 28 Jul 93

[By ITAR-TASS correspondent Igor Galkin]

[Text] Moscow, 28 Jul—The two-day all-Russian economic conference finished its work today. According to Russian Supreme Soviet Chairman Ruslan Khasbulatov, its objective was to analyze the socio-economic situation in the country and to draw up recommendations on ways of ending the economic crisis, and this was achieved. The parliamentary speaker said that the all-Russian economic conference should become a permanent forum. He feels that the second conference could be held as early as September.

A declaration was adopted on behalf of the conference participants. This expresses concern at the intensification of the political, social, and economic crisis in the country. In order to forestall collapse, the statement says, all representative and executive bodies at all levels must work for consensus and cooperation.

The "declaration on nationwide economic accord," which was drafted by the "Roundtable," could be the basis for this. The declaration regrets the fact that the government did not take part in the conference. The document also proposes that the all-Russian economic conference should become a permanent forum.

Democrats Protest 'Political Action'

PM2707133793 Moscow ROSSIYSKIYE VESTI in Russian 27 Jul 93 p 2

["Appeal from the Public Committee of Democratic Organizations of Russia to the Chairman of the Government and the Government of the Russian Federation"]

[Text] Esteemed Viktor Stepanovich!

The Russian Federation Supreme Soviet, in conjunction with the Russian Federation Council of Ministers/Government plans to hold an All-Russian Economic Conference on 27-28 July 1993. It is being prepared under V.O. Ispravnikov's direction by the Russian Federation Supreme Soviet Soviet of the Republic Commission on Economic Reform and the Supreme Economic Council—creators of the so-called fourth form of privatization, which postpones the start of privatization for five years and legalizes socialist collective ownership.

The upcoming All-Russian Economic Conference is not a scientific-practical conference, but is of the nature of a political action to enhance the authority of the bankrupt Congress.

The recent referendum showed that people's deputies do not have the support of the people—on 25 April two-thirds of those who voted effectively voted against the Congress and for the policy of reforms.

Under the circumstances we are appealing to the chairman of the Russian Federation Council of Ministers/Government and members of the Russian Federation Government to refrain from participating in the All-Russian Economic Conference on 27-28 July 1993, the agenda for which is an open secret. One of the principal arguments against your participation in the All-Russian Economic Conference is the fact that the confernce's 11 published theses practically anticipate its decisions, aimed at implementing an antimarket and antidemocratic program.

We believe that the Government, which you head, must be more resolute in continuing the reforms. We are not opposed to the holding of any economic conferences in conjunction with the Russian Federation Supreme Soviet and we even regard them as expedient, but only if the conferences are of a scientific nature and not of an obviously political nature.

Chubays Cited on Moves To Counter Parliament

PM2807085193 Moscow IZVESTIYA in Russian 28 Jul 93 First Edition p 2

[Igor Karpenko report: "Privatization Process Restored"]

[Text] During the evening of 26 July Anatoliy Chubays urgently assembled journalists at the State Committee for the Management of State Property, where during a short briefing he familiarized them with the new edict "On Additional Measures To Defend the Rights of Russian Citizens To Participate in Privatization."

The deputy chairman of the Council of Ministers and chairman of the State Committee for the Management of State Property very briefly familiarized those present with the contents of the edict, although in my view he did not even need to do this: He is restoring almost in full the entire system of measures contained in the previous edict No. 640, the validity of which was temporarily suspended by parliament which purely as a formality sent it to the Constitutional Court in order to test its constitutionality. The same time frame for selling shares, 29 percent of which will mandatorily be offered

at check auctions, the same support program for check privatization, the same tight flotation schedules, and so forth have all been reconfirmed.

In fact Anatoliy Chubays made a point of stressing this when he announced that, in line with a directive issued by him, the edict has been referred to its executants—the property management committees—and no explanations of the mechanism for implementing the new edict were required. "We have looked at the previous document and made one amendment to the preamble of the directive: Instead of 'in accordance with presidential edict No. 640,' we have said 'in accordance with presidential edict No. 1108 dated 26 July 1993'." This almost chess-like situation involving the repetition of the two opponents' moves provoked laughter in the room, although the tone was somewhat sad—these, unfortunately, are the devices that have to be resorted to when the protracted debate between government and parliament leaves the realm of common sense.

For the time being the Constitutional Court has not reacted to this extremely desperate situation which affects the lives of tens of millions of citizens. However, it is very possible that parliament's appeal has not reached the court yet, because, as Chubays noted ironically, his opponents are in no hurry to send off the documents: "They have to resolve a bunch of technical problems—the documents have to be drawn up in the proper way, they have to find a typist to type them up, then an envelope and some glue, and so on. After all, the longer it takes to deliver the document to the court and examine it there, the longer privatization will be frozen, and this is precisely the objective of its authors. This objective has been completely destroyed by the president's new edict."

Chubays was grateful to the media, thanks to whom the public learned of parliament's secret designs regarding privatization, whereupon the State Committee for the Management of State Property managed to obtain the rest of the documents relating to the withdrawal of the checks. If these had been adopted by parliament, privatization might have been irreparably damaged. This is very important: Today, with the help of the mass media, society is actually monitoring the activities being undertaken by the authorities.

In the regions, we learned at the briefing, parliament's attempt had produced absolutely no impact on the course of check auctions. Moreover, local committees and property funds and even many local soviets and their organs had openly opposed slowing down the privatization process. Needless to say, the stock exchange and the street market could not fail to react to the situation—the value of checks fell, as did the amount they could be sold for. In fact the stabilization we witnessed earlier has not yet been achieved at the present time, and the ill-considered money exchange system has not helped either.

Parliament Amendments to Laws May Be Vetoed

PM2807104893 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian No 20, 28 Jul 93 (signed to press 27 Jul) p 1

[Unattributed report: "The Banks"]

[Text] The Russian Government intends to resort to the presidential veto with respect to the amendments adopted by parliament to the laws on banks and banking activity and on the 1993 budget. Russian Federation First Deputy Finance Minister Sergey Dubinin told journalists this. In his view, parliament's decision, which restricts the activity of banks with foreign capital on Russia's territory, is contrary to the government's economic policy. "The law must not be retroactive," Dubinin stated, "we must cultivate confidence in our legislation on the part of investors."

Further on Reaction to Withdrawal of Bank Notes

Newspapers Not on Sale

LD2707133593 Moscow Programma Radio Odin Network in Russian 1100 GMT 27 Jul 93

[Text] Retail sales of periodicals will resume tomorrow, an ITAR-TASS correspondent was told at Rospechat [organization responsible for distributing newspapers and magazines]. Rospechat explained that newspapers were not distributed to kiosks today because change was not available. But, as a result of yesterday's presidential decree restoring normality to the Russian Federation's monetary system, the problem of retail sales of periodicals has been resolved, the Rospechat spokesmen said. The decree leaves one, three, five, and 10 ruble notes in circulation until the end of August.

Government 'Experts' Condemn Action

LD2707202793 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 27 Jul 93

[Report by correspondent Sergey Suntsov; from the "Novosti" newscast]

[Text] The assessment of experts from the President's circle and from the government of the currency exchange operation is certainly interesting. Probably the only thing on which there was a divergence in the course of the discussion at the government's press center was the approach to what happened: to insist on abolition or to minimize the consequences. [video shows Petr Filippov, member of the Presidiential Council, speaking]

[Begin Filippov recording] The main question is, of course, what should be done next. We are striving to separate the finance systems of the former USSR republics and to bring them into normal, civilized relations. If further steps are not taken, and further decrees and government resolutions directed at such a separation are not issued, all the people's sacrifices will have been in vain. [end recording]

Participants in the discussion showed convincingly that in that form the action of the Central Bank and the government does not solve the problem of reducing the inflow of money mass from the near abroad. The operation is devoid of any economic sense. Moreover, the republics that carried out a less stringent credit and monetary policy win in a proportion of one to two and this is a blow to Russian citizens first of all. According to Petr Filippov, it is necessary to discard the chimera of a unified ruble zone.

Andrey Illarionov, head of the prime minister's analytical group, said after having analysed the situation: The measures of the Central Bank are antimarket ones, are directed against the course of the president, foil the stabilization of Russia, and encroach on the rights of citizens.

Petr Filippov stated outright that this action only serves the purpose of the Central Bank because in the course of an audit it was discovered that the Central Bank was unable to balance the books and is sucking funds out of the CIS republics like a vacuum cleaner.

Participants in the discussion think that the culprits should be named and called to account.

Move 'Undermining' People's Confidence

PM2707115193 Moscow IZVESTIYA in Russian 27 Jul 93 First Edition p 4

[Otto Latsis article under the general heading "Central Bank Goes For Broke. But Who Controls It?": "When 'State' Thinking Is Undermined"]

[Text] The measures announced by the Central Bank are not just a technical operation to replace bank notes. For those who fall outside the set limit for the exchange, it amounts to a confiscatory monetary reform, since, at current inflation rates, the ruble will be devalued threefold in the space of six months, while savings bank deposit rates are considerably lower.

In this connection it is interesting to attempt to adopt the position of the statesmen who approve of the measure and try to imagine their way of thinking. Maybe this will help us to understand how they can keep doing the same thing over and over. And I am not thinking of people such as Central Bank Chairman V. Gerashchenko—he has repeatedly shown that his thinking is not state thinking but, at best, departmental thinking. I am referring above all to Russian Federation Premier V. Chernomyrdin, who resolutely approved the Central Bank's actions and even stated confidently that the people would not assess them in the way they assessed V. Pavlov's operation with the 100-ruble [R] notes. Unfortunately, the people did just that. What was it that tripped up the statesmen yet again?

Judging by their statements, they were let down by their customary "state" thinking along the lines that what is good for the state is good for the people as a whole, and the minor inconvenience faced by certain individuals can be ignored. For the sake of objectivity, we will try to understand what reasons could be cited in favor of the decision.

It is expected that the replacement of the bank notes will reduce the inflationary pressure on Russia from ruble-zone countries. This pressure really exists, the excessive emission in these countries is turning Russia into their unwilling donor. But can "state thinking" fail to take account of our erstwhile fellow-citizens in the USSR, who earned this money through their labor? Why should ordinary citizens suffer just because the Russian state cannot reach agreement with neighboring states? Incidentally, it is not only ruble-zone countries that are affected, but also the citizens of countries where a national currency has been brought in but, because of its weakness, the ruble remains in circulation. This applies primarily to Ukraine. If a Ukrainian peasant has sold tomatoes in Moscow and wants to use the rubles earned to buy the goods he needs there, is robbing him in Russia's highest interests?

It is assumed that Russia's honest working people will not be affected, since regular pay packets at average earnings today should be less than R35,000. This is an obvious miscalculation—hopefully unintentional. First, we are into the vacation season, and vacationers have drawn on not just their ordinary pay but also—if they are traveling anywhere—some of their savings. And now with these sums, which will definitely be over R35,000, people may be caught far from home, which will particularly increase the cruelty of the confiscation. Second, Northerners, miners, and oil workers already earn more than R35,000. Third, peasants—particularly the elderly—will inevitably be hit. There are no savings banks in the countryside, many people are a long way from the rayon center, and time is at a premium during the harvest season. And R35,000 these days... You need only calculate how much is earned in today's prices from selling just one piglet at market or several kilos of fruits and berries. Finally, hardest hit of all will be businessmen and small and medium-sized entrepreneurs who have several million at their disposal. The blow to their interests illuminates particularly clearly the antimarket aims of these measures.

The state will gain some short-term benefit—you always benefit when you rob your neighbor. Also rejoicing will be those philistines who like nothing better than a nice spot of expropriation. But the strategic losses as regards the undermining of people's confidence in the current authorities are obvious. Even from the standpoint of the Central Bank's departmental interests, the restoration of incentives for saving and accumulation ought to be foremost among its goals. Saturday's fraud will have the opposite effect—people are being told not to have any faith and not to save, but to spend everything as fast as possible or turn it into dollars.

Today the Russian Federation president may rectify matters by increasing through an edict the amount of

time available for the exchange and the maximum amount (if the setting of any ceiling is permissible anyway). But this is not enough. Circles close to the president are making the improbable claim that the president did not know that this decision was in the offing. I think that this should not reassure citizens but make them additionally concerned. If the president did not know, it means that something is wrong in the state and that, apart from rectifying the Central Bank's mistake, it is necessary to call to account those are are to blame for the fact that the president did not know.

And one more question. It is clear from the (admittedly fragmentary) TV report on the all-Russia conference of soviets [25 Jul] that Supreme Soviet Chairman R. Khasbulatov did not know about it either. Yet the Central Bank chairman is appointed by parliament, and his membership of the government does not change that fact. Could it really be the case that R. Khasbulatov did not know about it either? And, if he did not, is it enough for him to express his indignation in front of the TV cameras? We clearly need some more instructive explanations and a more effective reaction.

P.S. While I was writing this commentary, a reader phoned to say that he supported the measure because "private outlets" are full of mafiosi and it is high time they were nabbed. Is the Central Bank counting on support from people with that level of economic and legal understanding? Judging by everything, we have to suppose that it is. In this connection we ought to recall a few things which may seem obvious and not requiring explanation. Yes, there are plenty of villains about—the militia should catch them and they should be restricted through economic measures. But, first, Saturday's confiscation will not restrict sharp practice, and the villains will undoubtedly keep their own savings safe—that is why they are villains. It is honest businesses that will suffer. Second, only the courts, not the Central Bank, can decide who are mafiosi and who are honest men. If any other approach were taken we would have to admit that the state itself was acting like the mafia.

Consumer Body Threatens To Sue

PM2807102793 Moscow IZVESTIYA in Russian 27 Jul 93 First Edition p 4

["Own information" report: "Confederation of Consumers Ready To Sue Bank of Russia"]

[Excerpt] Aleksandr Auzan, president of the International Confederation of Consumer Societies (KonfOP), has told IZVESTIYA that unless the decision on exchanging money is rescinded or corrected the confederation will sue the Central Bank on behalf of an indeterminate circle of people.

Russian Federation laws on ownership and consumer rights protection provide the grounds for such an action. The law on ownership interprets money as being the property of citizens which cannot be confiscated other than by a court decision. The Central Bank, by forcing citizens to leave their money in the Savings Bank at a low interest rate, is effectively carrying out the extrajudicial confiscation of part of their property. [passage omitted]

Reform Called 'Attack' on Citizens

PM2707115593 Moscow IZVESTIYA in Russian 27 Jul 93 First Edition p 4

[Commentary by Grigoriy Yavlinskiy: "The Country's Leadership Believes That Citizens Should Have Only Enough Money in Their Pockets To Buy a Pair of Shoes"]

[Text] Ludwig Erhard, who carried out successful economic reform in postwar Germany, wrote that any encroachment on freedom of consumption or freedom of economic activity should be punished as an attack on the social system. Just such an attack has been perpetrated today by our authorities, yet again demonstrating their disregard for the fundamental interests of citizens, and hence their own inability to carry out a rational, predictable state economic policy.

The decision to exchange bank notes, while essentially a technical measure, in unskillful political hands has immediately created a number of acute social and even political problems. First, it gives new impetus to the growth of prices, raising the cost of goods to sums divisible by 100 rubles [R]. This will affect not only bread, green vegetables, and other goods and products which had cost under R100, but also the whole range of goods priced under R100. Second, it provoked a new wave of panic buying of products at the weekend, when citizens tried to "dump" their old money.

Summer is a period of vacations, of the energetic development of subsidiary plots and the construction of dachas, and of field work that requires a great deal of fuel, spare parts, and sowing materials, which are acquired with cash in a number of cases—for example, by private farms. In addition, almost the entire turnover of the so-called "expolar economy," which constitutes a significant share of trade, production, and services, is serviced in cash. On the eve of the announcement of the money exchange wages were paid in enterprises and organizations—as far as I can judge, not just in 1993 bank notes. Finally, the announcement came on a Saturday morning, when many had left for their dachas or for the country.

I am convinced that the joint action of the government and the Central Bank will result in nothing but mockery, inconvenience, the growth of prices and social tension, and the enrichment of currency speculators. The day after the announcement, for example, the exchange rate of the Georgian coupon against the Russian ruble, which the day before had been 7:1, rose to 1:1. But most repugnant of all, in my view, is the fact that the state is, as it were, imputing to all citizens unfortunate enough to be living in the ruble zone responsibility for the errors of state policy.

I categorically disagree with the Central Bank's claim that this reform is not confiscatory in nature. Our estimates of the rate of price increases for the next six months show that prices will be higher than Savings Bank of Russia interest rates on fixed-term deposits. The mandatory placement of all sums higher than R35,000 in the old bank notes on fixed-term deposit will lead to significant losses of funds, not to mention the fact that the plans of people who had been intending to draw on this money earlier may be ruined. If the authorities believe that this is not confiscation, I would like to know, as a citizen and a taxpayer on whose funds, in part, the government is maintained and the measure in question is being implemented, just what would be described as confiscation in our state nowadays?

Statements heard repeatedly on television on Saturday that "the population will scarcely have more than R35,000 (the price of a decent pair of boots) in hand" and that "those who will suffer from the exchange will be primarily those who are making dirty money" testify that the leadership has a poor idea of the real scale of cash transactions, and does not remember the social consequences of "Pavlov's" money exchange, which was carried out two-and-a-half years ago—under the same banner of combating "improper" income, by the way. At that time, incidentally, notes were made in passports about the amount of money which Savings Bank clients had the temerity to withdraw from their accounts, and you had to explain the possession of large sums of cash to a public commission at your place of work. Now we have something similar again. How much longer, one would like to know, will stocktaking-quota measures of a prison camp-exile character be carried out on every pretext in our country, and the passport serve as a place for recording all kinds of humiliating rubbish?

The impression arises that Russia is once more conducting affairs in such a way as to call into question the ability of other states of the nearby foreign parts to coordinate any kind of economic policy with it. Moreover, this has been done just 14 days after the heads of the Ukrainian, Belarusian, and Russian Governments expressed the intention to form an economic union.

Against this background, in my view, the statements of some leaders to the effect that one did not know, another objected, and a third was absent look absolutely without substance. After all, the leader of the Central Bank now also belongs to the government, so that this measure was not prepared in secrecy, and the naive attempts of leaders to distance themselves from it today most likely attest that the government simply does not exist as a collegial, effective organ, and that a clear, coordinated, well thought-out policy does not exist in the country's leadership either.

As a specialist I can understand the Central Bank's motives: It is indeed abnormal when many types of notes are in circulation—including bank notes of a defunct state—having the same value, but a different size and color scheme. In this sense the intention declared 6 July to withdraw them from circulation gradually, not terminating their currency overnight, was unquestionably sound. However, the strange alteration of this decision two-and-a-half weeks later is quite incomprehensible from an economic, and still more so from a political point of view. The restrictions on sums of money and the deadlines for exchanging it are absolutely inexplicable. Both these restrictions must be withdrawn forthwith. In addition, no monetary reform whatsoever must be undertaken until such time as there is a breakthrough in macroeconomic policy in Russia. This is simply pointless, it provokes bitterness among the people, reduces their already minuscule confidence in the authorities, and creates an unpredictable and unstable situation in the economy.

The whole political context of this measure provokes infinite alarm and grave foreboding. The unintelligent confiscatory measure could not come at a "better" time: The Russian border post in Tajikistan has been routed, we are being dragged into a Tajik war with an Afghan outcome, and the special services in despair are being forced to use the press to leak news about the imminent war; in bordering states laws discriminating against the Russian and Russian-speaking populations are being discussed and adopted; Crimea and Sevastopol are increasingly becoming an irritant factor; millions of foreigners are crossing the south-eastern borders—which are guarded by Russian troops—with the clear intention of settling in our land; stories about our citizens being insulted, and even beaten up, in other countries are being whipped up; sovereignization trends are intensifying dramatically in Federation components, some of which are refusing to take part in forming the federal budget; the state budget is ratified with a deficit of 25 percent of GNP, and the growth of prices is intensifying yet again; there are constant claims of corruption in the upper echelons of state power; and the constitutional process is deadlocked. The accumulation of these factors is beginning to create a critical mass of humiliation to the national dignity and the people of a huge state are developing an inferiority complex. Surely it is clear how this could end?

State leaders who do not sense this situation and at such a critical moment manipulate bank notes, hitting at the vital interests of absolutely every person—whether or not he or she is a citizen of Russia—who has a ruble in his or her pocket, have no conception of state policy. They can be called accountants, administrators, scientific workers, engineers, or bankers, but participation in state policy is absolutely contraindicated for them.

Citizens 'Duped Again'

LD2807093993 Moscow ITAR-TASS in English 0901 GMT 28 Jul 93

[By ITAR-TASS correspondent Mikhail Krushinskiy]

[Text] Moscow July 28 TASS—President of the Association of Russian (Commercial) Banks, Sergey Yegorov condemned the Central Bank's campaign of the withdrawal of older banknotes from circulation. He said this campaign "seriously undermines confidence of the Russian population in state authorities". He is convinced Russian citizens have been duped again. "Those who

warned against trust in the national currency and suggested to keep savings in currencies of other countries have proved right. The money exchange will lead to the further dolarisation of the economy and the striving to settle accounts only in ready cash".

Yegorov told ITAR-TASS he intends to turn to the Russian Constitutional Court to ask it to analyse actions of the Central Bank from the viewpoint of their correspondence to articles of the Constitution declaring human rights. Enforced exchange of banknotes "limits citizens opportunities freely to dispose of their lawfully earned money".

He also expressed indignation with the procedure forcing millions of people to stand long queues in savings banks and permitting making marks in their passports. Yegorov believes that President Yeltsin's decree that somewhat eased the regime of money exchange, mitigates the situation insignificantly.

As to arguments of the Central Bank about the need to protect the Russian market against the influx of rouble supply from countries of the former USSR, Yegorov believes that this problem which really exists cannot be resolved in such ways.

"Instead of consolidation forces in the former common economic expanse we have rejected our partners. Hardly anyone will want to have partner ties with us, as there is no certainty what steps we can take in a week or a month", Yegorov said.

Yegorov, 64, enjoys respect among Russian financiers and business people as an extra-class specialist and consistent protector of interests of the private sector. Prior to his election to the post of head of the Association of Private Banks in 1990, he headed for 15 years of republican bank of the Russian Federation in the framework of the USSR. Even then he did not mince words criticising chiefs of the state bank. Criticising the policy of the present Russian banks, Yegorov points out that the exchange of older banknotes had been inefficiently organised and that this action does serious damage to interests of commercial banks.

Russian business peoples virtually unanimously condemn the compaign of the Central Bank and demand that it be called off. Prominent entrepreneur and politician, President of the International Bourse and Commercial Union Konstantin Zatulin, believes this action will bring nothing but an inglorious and exhaustive financial war in the territory of the entire rouble zone.

Gerashchenko: Parliament Cannot Issue Ruling

LD2807125893 Moscow ITAR-TASS World Service in Russian 1055 GMT 28 Jul 93

[By ITAR-TASS correspondent Viktor Petrenko]

[Text] Moscow, 28 Jul—Central Bank Chairman Viktor Gerashchenko has told the ITAR-TASS correspondent in an exclusive telephone interview that he has been invited this afternoon to the House of Soviets, where there is to be a session of the Presidium of the Russian Supreme Soviet Presidium. This is thought to be considering issues relating to the Central Bank's decision to withdraw bank notes dating from 1961-1992.

Gerashchenko also denied reports saying that in accordance with a decision by the Supreme Soviet Presidium the 1961-1992 bank notes could remain in circulation until gradually withdrawn through the shops and services. He stressed that only the Central Bank was able to make such a decision, not the Supreme Soviet Presidium, since that falls outside their competence. At the same time, Gerashchenko said, the law does not deny parliament or any other authority or even an individual the right to propose their own amendments to a prepared document which the Central Bank can adopt or reject.

Chernomyrdin Defends Decision

LD2807130893 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 28 Jul 93

[Statement by Viktor Chernomyrdin; place and date not given; from the "Novosti" newscast—recorded]

[Text] This action by the Central Bank has been carried out in accordance with the law. People are always getting excited here and immediately forget about the law. This is the Central Bank's business and it is responsible for this. It is not its duty to consult or ask anyone, neither the government nor any other bodies. It did what it should have done. Everything has been done correctly, in principle.

In principle, we should not allow the entire former Soviet Union today, those who were in it, to have equal rights to use this unit of currency in our country, I mean in Russia. I, as the head of the government, am responsible for Russia, first and foremost. We must decide once and for all about this part of the country, its foreign aspect, as to who is who, who introduces its own currency and its own bank notes and at the same time continues to use our bank notes, comes here, buys everything, takes it away, plunders Russia. My first concern is that this should be stopped, of course. We have good relations, we are concluding...[pauses] can conclude agreements and we will also cooperate.

We will only welcome those who would like to be in the ruble zone, we will only be too pleased to cooperate on some kind of contractual basis. This is first. Second: As for everything else, namely the way we are carrying out this operation, well the way we usually do things. We have not changed much here. First, it was reported that everything is in place, namely that bank notes were printed and there is enough small change. In the morning it turned out that there was no small change that a fortnight was the wrong period of time, that 35,000 was the wrong sum of money.

I think the president made the right decision. I think that we will continue to do the same in the future. I am not

afraid to state this now. I am mainly worried about pensioners and invalids , those who cannot stand in lines. There is no need to do this since we extended the term for a month. If need be, we will extend it further so that our people do not lose out.

Gerashchenko: 'Top Officials Knew'

PM2707190993 Moscow IZVESTIYA in Russian 28 Jul 93 First Edition p 1

[Ivan Zhagel report on 27 July telephone interview with Russian Central Bank Chairman V. Gerashchenko: "Money Exchange Fiasco: Gerashchenko Claims Country's Top Officials Knew What Was Going On"]

[Text] The situation regarding the exchange of old bank notes clearly constitutes new grounds for political clashes in Russia. In view of the population's negative reaction, both branches of power have noticeably distanced themselves from this measure, and only one person can identify the role of the powers that be in the measures that are being implemented—Central Bank of Russia Chairman Viktor Gerashchenko.

We managed to get in touch with the Central Bank chairman Tuesday morning by telephone and ask him some questions of interest to us. First and foremost, what is his assessment of the statement published in all the mass media by the parliamentary Reforms Coalition that a meeting attended by a number of people's deputies was held 26 July between V. Chernomyrdin and V. Gerashchenko at which the Bank of Russia chairman allegedly "claimed that on Saturday 24 July, prior to the implementation of the money exchange measure, this issue was coordinated in full with R. Khasbulatov and his deputy, Yu. Voronin?"

In V. Gerashchenko's opinion, the Reforms Coalition deputies have obviously not grasped the essence of the issue. Because the start of the confiscation of old bank notes was announced during the night of 23 July and there was no point in agreeing anything Saturday morning. However, when we tried to clarify whether this meant that R. Khasbulatov knew nothing about the preparations for the money exchange, which was the basic drift of the speaker's television appearance Monday, the Central Bank chairman said literally the following:

"You must interpret the wording exactly. The parliament chairman said that the measures being implemented had not been agreed with the Russian Supreme Soviet. But this does not mean that certain officials in parliament did not know about them beforehand."

V. Gerashchenko would not clarify exactly which officials he was referring to. However, if the money exchange measure was agreed with somebody in the Supreme Soviet, it would be strange to say the least if this "somebody" were a minor official and not the speaker or his first deputy dealing with the economy.

V. Gerashchenko's answer to another of our questions was extremely evasive: Was the implemented measure agreed with the Russian president? He merely directed our attention to the fact that, having signed an edict Monday evening on extending the time limits for exchanging money, Boris Yeltsin has not said anything to indicate that he basically does not approve of this measure.

There has been a great deal of talk in the press and on television to the effect that Vice Premier Anatoliy Chubays adopted a sharply negative stance on the money exchange when this issue was submitted to a government session last Friday evening. However, according to V. Gerashchenko, A. Chubays merely expressed his doubts about the expediency of establishing a two-week period for implementing this measure and proposed extending it.

Incidentally, if we are going to be objective, we cannot fail to notice that despite the difficult situation in which the Central Bank chairman currently finds himself, he has not rushed to "expose" all the organizers of the measure and has not tried to shift the blame for it onto anyone else, once again stressing that the idea of confiscating old bank notes was conceived and developed by the leadership of the bank. At the same time V. Gerashchenko did not agree that the situation that has arisen could be exploited in the political struggle, and therefore at the end of our interview he stated fairly unequivocally that "the country's top officials knew what was going on."

In the Central Bank chairman's opinion, by shifting the problem onto the political plane the mass media and political groupings are deflecting everybody from the economic essence of the matter. This is as follows: The existing money system is unsuited to the demands of the economy, it does not enable the money supply to be controlled effectively. Russia is constantly having to deal with an influx of rubles from former Union republics, many of which are not complying with agreements concluded in the money sphere. And it is the Central Bank's duty to protect Russian citizens from this.

At the same time V. Gerashchenko admitted that the start of the measure to confiscate old bank notes has created a difficult situation in the country and been detrimental to the interests of many Russian citizens. He is sure that all these problems can be resolved, and the necessary corrections are already being made. Well then, one may concur that corrections will be able to take the heat out of the situation, but surely it would have been possible to foresee all the possible scenarios beforehand?

Yeltsin May Be Seen as 'Culprit'

PM2807104393 Moscow IZVESTIYA in Russian 28 Jul 93 First Edition p 2

[Valeriy Vyzhutovich report: "Post-Shock Therapy: Boris Yeltsin's Response to the Central Bank's Confiscatory Measures Do Not Fully Live Up to Society's Expectations"]

[Text] The Russian president's edict extending the time limit for the exchange of old bank notes and the maximum amount allowed is akin in its effect upon our shaken society to post-shock therapy: It feels easier now, but it still hurts.

The people will not recover from the blow to their savings all that quickly. But will the authorities quickly recover from the blow to the daily waning stock of trust in them?

The tokens of care and attention shown the people and the promissory notes issued by the Kremlin will henceforth devalue faster than the rate of monetary inflation, which, it has to be acknowledged, the president has contributed to in this emergency situation. Voluntarily or otherwise, he lacks crucial import. If Yeltsin knew about the sudden, treacherous confiscation of old-style money does it mean that he agreed with it? And if he disagreed, why did he not act? If, however, he was unaware (although Central Bank Chairman Viktor Gerashchenko claims that the president's immediate entourage at least had the information), why have those duty-bound to report to him not been punished?

Answers to these questions should have been given on 24 July, when the country was dashing helplessly and desperately between savings banks and stores. Unfortunately, on that day, and on 25 July, too, the president said nothing. On the other hand, the favorable opportunity for a politician to show himself to be the the people's defender was seized by Ruslan Khasbulatov.

Russian General Prosecutor Valentin Stepankov, who quickly appealed against the Central Bank decision, also earned political capital out of the monetary operation. And it was only when the president's political adversaries, including the leaders of the National Salvation Front (what a gift the executive authorities made to the National Salvation Front, which held its congress on Saturday and Sunday, and the whole opposition!), had demonstrated to the people how they defend them, only then, at 1700 hours on 26 July, that Yeltsin signed his decree, a document in which the president's wary reluctance to fall out with the prime minister serves as a watermark of the political state of affairs. In essence, however, the Central Bank's confiscatory measures require not mollifying modifications but complete and unqualified revocation on the grounds of their being economically invalid and politically harmful.

No, the extreme decision to confiscate old-style money at a stroke was not made by the president, but when such acute clashes occur in life ordinary folk do not draw a distinction between the Central Bank and the head of state, parliament and government. For the lines of people storming the savings banks there is only one culprit—the authorities, embodied—by ancient Russian tradition—by the head of state and no one else. Therefore, no matter how unfortunate it may be and no matter how the president attempts to counter it, "Yeltsin's" monetary reform is now imprinted in the people's memory alongside "Pavlov's."

Nothing has such a demoralizing effect upon the mass consciousness as disappointment with a charismatic leader. In our crisis times, when the public mood is subject to violent swings, any doubts about Yeltsin (and they are growing) generate doubt about the correctness of the chosen course. The age-old Russian mistrust of the authorities would today mean mistrust of the reformist authorities and an instinctive return to the past.

The replacement of the old bank notes, which is being carried out with such striking lack of caution, is perhaps the most telling blow against the results of the referendum. Another such step, and those results will be taken out of circulation by the people without any vote whatsoever.

Miners Halt Coal Supplies to Metallurgical Industry

PM2607132993 Moscow IZVESTIYA in Russian 24 Jul 93 First Edition p 2

[Report by Sergey Leskov: "Miners Have Declared Boycott on Metallurgical Industry"]

[Text] An alarming situation has taken shape at Russia's metallurgical combines. In connection with the drastic reduction in the delivery of output from a number of coal basins the sector has coal left for only an average of five days' work.

Despite the optimistic assurances a week ago by First Vice Premier Oleg Soskovets about reaching agreement between the miners and the metallurgical industry on a joint prices policy, the crisis in mutual relations between these base sectors is growing. The leaders of enterprises are paying little heed to instructions from Moscow. The dispatch of coal from the Pechorskiy basin has been totally halted in connection with the metallurgical industry's debts. The Karaganda miners have halved the dispatch of coal without making any statements. As a result metallurgical giants like the Magnitka and the Cherepovets and Novyy Lipetsk plants are in a very grave position.

After the liberalization of prices announced 1 July coal in the Pechorskiy basin, for instance, has increased in price eight times. And of the 135 billion rubles [R] subsidy promised in June only half has been paid and not a kopek has been received of the R240 billion promised in July. In this situation the miners have nothing left except to twist the arm of the consumer, as Aleksandr Yevtushenko, Russian first deputy minister of fuel and energy, said.

Leonid Antonenko, deputy chairman of the state committee for metallurgy, predicted that the sectors which are at odds will soon find themselves "in the same tomb." But A. Yevtushenko is more composed: The miners are giving the metallurgical industry 30 percent

of their output and taking only 2 percent of what is produced by their subcontractors.

The situation in the coal and metallurgical industries is becoming increasingly explosive. It is sad that the sectors' leaders for a long time now have been failing to find a way out of the crisis. Politicians are aggravating the situation. This week the Supreme Soviet rejected a proposal to create a federal fund for the coal industry which it was planned to form with a 3 percent levy on the cost of all commodities and services produced. This idea was supported by representatives of all regions of the country but had one shortcoming—it was submitted to parliament in the government's name.

State Tax Service Chief Holds News Conference

PM2607150593 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 93 First Edition p 4

[Valeriy Zenkov report: "Criminals Trying To Infiltrate Tax Inspectorate"]

[Text] Some 11.4 trillion rubles [R] was collected in the form of taxes in Russia during the first six months of this year.

This figure was given at a news conference by Vladimir Gusev, leader of the State Tax Service. Let us note that the income subheads of our country's state budget were set in the sum of R10 trillion.

It was pointed out at the news conference that the budget's tax receipts were noticeably affected, on the one hand, by the production slump and, on the other, by the growth of wholesale and consumer prices. They were also affected by the changes to tax legislation which were made as of 1 January this year and which reduced, in particular, the rates of value added tax and extended the system of profit tax breaks. These changes made the tax burden lighter. Whereas in the fourth quarter of last year that amounted to 43 kopeks per ruble of produced national income, in the first half of this year the figure was 35 kopeks.

The changes in legislation also affected the volumes of profit tax receipts. They fell by more than R170 billion during the six months. These losses were compensated for by a tax on the excess of the labor remuneration fund over the normed amount.

The tax service not only collects taxes but also monitors compliance with tax legislation. In the first quarter alone the total of additional payments, including financial sanctions, stood at R219 billion and considerably exceeded the level for the same period last year. The total of the financial sanctions levied by state tax inspectorates increased from R1.8 billion to R122.4 billion.

Commercial banks are particularly free in their handling of tax legislation. They not only flout it grossly themselves as taxpayers but also frequently hold up the passage of payment documents and bill-paying operations and use as credits funds that are due to the budget. Last year checks were made on 1,967 banks, or 38 percent of the total number. Violations were discovered in 1,555. Proceedings were instituted against 500 officials for abuses of various kinds. More than R3 million [as published] was recovered from them. In addition, operations relating to the correspondent accounts of 12 banks were suspended, and the materials of one check were forwarded to the prosecutor's office.

The principled and consistent approach of tax agents frequently results in unpleasantness for them. More than 300 criminal acts of various kinds were perpetrated against them in the space of six months. Threats were made against 147, bodily harm was inflicted on 55, and 12 staffers had their apartments burned out. Two were killed.

The following facts are also interesting. More than 100 people connected with criminal business have attempted to infiltrate the structure of the tax service. At the same time 18 criminal cases were instituted last year against tax inspectorate agents, 12 of them relating to bribery. The corresponding figures for this year are 17 and 13.

Fuel Producers Complain of Slump, Want Investment

MK2707113093 Moscow SEGODNYA in Russian No 37, 27 Jul 93 (signed to press 26 Jul) p 3

[Yevgeniy Spiridonov report under the "Fuel" rubric: "Yuriy Shafranik Is Listening to a Voice From the Tundra. The Voice Is Asking for Money"]

[Text] Signs of an impending catastrophe in the fuel and energy sector, barely discernible to public opinion, have already become evident to oilmen, gas producers, and construction workers. This was announced by Yuriy Shafranik, Russian fuel and energy minister, as he was listening to general directors of oil, gas, coal, and energy-producing enterprises and associations who came from the "tundra." Addressing a meeting at the ministry building on Kitayskiy Proyezd, Vladimir Malygin, chief of the "Tyumenneftegazstroy" association, said that his group of construction workers, who have built 17 cities and settlements in western Siberia, resembles an army left alone on the battlefield. Customers (oil and gas producers) have stopped paying for the work they have performed. This year, the scale of construction projects the association is carrying out is down ten times compared with 1991.

It is essential to bring together oil and gas construction workers, said Yaroslav Shvyryayev, chief of the "Chitaenergostroy" association, and, summoning up our courage, to tell them straight out: "We do not have any money for you, so go ahead and spit on our orders and try to do business elsewhere; you may sell Pepsi-Cola after all. And the papers coming from the ministry and the government, which have been ostensibly drawn up to rescue you, do not have any legal effect."

Regarding moribund investment in the oil and gas sector, those speaking at the meeting cited the following figures. The share of centralized government investment, which accounted in 1989 for 40 percent of the total volume of investment, plummeted to 2.5 percent in 1993. As a result, the annual amount of generating capacities put into operation in the electric power sector dropped from 13 million kWh to 0.66 million kWh. To cite another example, there were 8,500 km of gas trunks laid in 1988 compared with only 1,300 km last year. The number of oil wells put into operation was down 4,000 compared with 1988.

Responding to the pressure by oil and gas-related construction firms, Yuriy Shafranik observed that they, who had started developing western Siberia from marshes, would now have to go through the marshes of financing before they would be able to tread on the firm ground of investment. Here, in his view, a policy of dual standards may be discerned. We ourselves have to get rid of a stereotype whereby "we are the most important in the state, we will not be left alone in the hour of need." To this end, one has to cling not to the hoarded material and personnel resources, but to lucrative orders and effective projects. Why is it that Bulgarians, Turks, or Canadians are snatching lucrative orders from those same construction firms? On the other hand, Yuriy Shafranik agreed with the representatives of the "tundra" that a simple, almost primitive idea is to be hammered home to every one, from a common manager to government members and Supreme Soviet deputies: "If the oil and gas sector falls, all the rest will fall, too." This is why the government should not leave the sector to its own devices, but give it its due. Apart from gold, diamonds, and oil, he said, no production has avoided a drop in value. In the first six months, the share of hard-currency receipts from the fuel and energy sector in the state treasury grew from 45 percent to 80 percent. The country has become even more dependent on our production, while we, Yuriy Shafranik complained, cannot find the paltry 15 million tonnes of oil to sell on the world market in order to modernize all the refineries, for example. By going further downstream in raw material processing we will save an equivalent of 45 million tonnes of annual oil production.

It was in order to push for large-scale investment in the fuel and energy sector that participants in the meeting decided to make use of what Yuriy Shafranik described as the cruel, but convincing argument. The resolution of the meeting, which was long worked upon by chiefs of fuel and energy industries and general directors of associations that "want to overcome the crisis and are able to do so," includes many provisions starting with the word "requesting."

Gaydar Interviewed on Economic Situation

PM2607150793 Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 Jul 93 p 2

[Interview with Yegor Gaydar by Irina Savvateyeva; place and date not given: "The Provinces: Instead of Barter—Gaydar"]

[Text] What is Gaydar doing these days? Has he been sidelined from the reforms, our readers inquire. No, Yegor Timurovich heads the Institute for Problems of the Transitional Period, which is helping various Russian regions to fit into the market: To elaborate investment programs.

[Savvateyeva] Yegor Timurovich, you have said repeatedly that you believe in the future of the Yaroslavl projects, in particular because the oblast as a whole is in a good condition. Even construction has not fallen here in recent years—a unique instance for Russia, virtually the only instance... But how is this prosperity achieved? Construction is being carried out thanks to the fact that all enterprises are subject to compulsory additional tax levies. Industry is kept going through barter, also centralized and compulsory: What is exchanged for what is decided by the oblast administration. And agriculture, which cannot be efficient anyway in its present form, given the local climate, survives on barren soils through endless subsidies that consume more than one-half of the oblast budget. In the upshot Yaroslavl trade depots are crammed full with local cream, which costs 1,200 rubles [R], while the oblast refuses to take cream from Orel at R900... All this is somehow not much like the market. More like conservation of the administrative edict system. And do you not entertain the thought that they invited Gaydar here only in the hope of wringing out easy money on the strength of a big name?

[Gaydar] I think that, in bringing in our institute, different people in Yaroslavl were pursuing different goals. When people say: "The Russian Government wants such-and-such...", I know that there is no such concept as the "Russian Government." And if some people in the government indeed want something, I know that that this by no means implies that the rest want the same thing. There are no grounds for assuming that things are otherwise at regional level.

Without a doubt there are people in Yaroslavl who really do want to change the situation in the oblast, to elaborate and introduce rational programs. Although, of course, there ere also certain people who argue: Let's invite Gaydar today, and Western investment will pour in for our favorite programs... But that is life. That is how it is. Our task in this situation is to do our job normally: Help formulate a rational market policy and implement it.

I know of the attempts by various regions to adapt to the market. And I must say that the actions of the people of Yaroslavl since 1 January 1992 have been more or less typical. To be more precise: typically innovative. This is a rational, healthy type of reaction to new circumstances.

But, of course, the years 1990-1991 in the country were on the whole spent under the star of the barter economy. All executive structures were set up for barter purposes, and to this day they are used by the regions to support their own market. However, today life is moving away from barter. Whereas two years ago the head of administration's telephone kept ringing about sugar, grain, and

sunflower oil, and he, the head, in turn put "questions about sugar" to Moscow, now he no longer does this. Because the problem is disappearing: He has stocks of grain until December, and the bulk of resources can simply be bought for money.

Yes, thinking geared toward the subsistence economy is still very strong today: Everything that we need for life, we will provide from our own resources! To this day we sow wheat and grow tomatoes not far from the Polar Circle. The same goes for industrial projects. But after all, it is life which forced people to behave in this way.

In actual fact I am amazed at the speed with which our society has learned to play by new rules. This has happened far more quickly than anyone would have imagined: myself, my friends, or international experts. I think that oblasts, having encountered the realities of 1993-1994, will begin to adapt quite quickly to the new situation in the economy and begin to formulate their own economic policies differently. Provided, of course, the financial system does not go bust, and if there is no radical backsliding. In general, the greatest cause for concern today is that society is growing accustomed to high inflation. Built-in indexation mechanisms are emerging. This makes the illness difficult to cure.

[Savvateyeva] What proportion of the regions, in your view, have entered market relations confidently?

[Gaydar] It is difficult to answer such a question. The thing is that all Russia's regions are somewhat specific. Each has its own problems, its own aches and pains. One has an unstable sociopolitical situation on the border, but everything else is fine. Another has a very difficult economic structure and a huge share of the military-industrial complex. And in a third—everything would not be too bad, but acute transport problems are a nuisance. Territories where everything is wonderful do not exist.

[Savvateyeva] What territories today, in your view, are moving forward in the first ranks on the road to the market?

[Gaydar] I would not want to name specific regions for considerations of principle. But you can draw up charts of the leaders in the field of reform for yourself—going on how quickly they unfroze prices on basic food products in 1992. Because of a whole range of political factors, we did not manage to unfreeze them straightaway at federal level. Though it was clear that to restrain prices was a hopeless task.

And the second indicator of "precocity" in the market is: How quickly the regions took up privatization. Although here too there is no simple scheme. For instance, St. Petersburg was late in starting: The legal base there was thoroughly perfected. It got started confidently somewhere around early summer 1992 and very quickly became one of the leaders in privatization. But Nizhniy Novgorod was ready to join in very early: The market-oriented administration, the mutual understanding between the soviet and the administration, the mutual understanding between the oblast and the city—all this provided a good background. Therefore it was there that we invited the international financial corporation to work.

However, speed of entry to the market also depends on many objective factors. For instance, the degree of a territory's openness to the world market is linked to its geographical situation.

Naturally, there remain regions where market transformations are proceeding with great difficulty. These are, first and foremost, oblasts where fairly rigid communist control exists in one form or another. Unsurprisingly, a significant proportion of the conservative territories are in the south of Russia. Being agricultural regions, they have proved to better adapted to life in the barter economy.

[Savvateyeva] Nevertheless, what investments can they count on at local level now? You brought with you to Yaroslavl a representative of the World Bank. He has shown no obvious sign of great interest in investing money.

[Gaydar] No one should harbor illusions about the World Bank financing all our development. After all, even thoroughly perfected projects are at a standstill right now for one elementary reason: In line with the decree on membership of the World Bank, these projects must be ratified by parliament. And they have already being gathering dust in the Supreme Soviet for months on end. Naturally, the bank is not exactly bursting to study new ideas.

And anyway, the traditional avenues of activity for the World Bank are projects connected with developing the infrastructure and opening up the economy. The construction of roads, ports, and communications—that is the profile of its investments.

There is also the European Bank of Reconstruction and Development, which is currently going through a fairly serious crisis. I hope that the bank will pull through this crisis. It is committed to investing in our economy. Right now a fund is being set up for investments in small, medium, and private business in Russia. If we manage to perfect a normal system for using these credits, they could be a very good source for small, targeted investments.

The question of the Fund for Assisting Privatization is being discussed intensively. The idea, which was put forward by us, is warmly supported by the Americans.

[Savvateyeva] But are there, all the same, internal sources for investment within Russia?

[Gaydar] The state is, in one way or another, funding conversion programs. This year credits worth 700 billion [currency not specified] were allocated for conversion purposes. This source will not dry up next year either. In

addition, from 1993 we granted tax exemptions to enterprises, indexed basic funds, and increased depreciation deductions. So that enterprises will get funds for investment.

The danger lies in the following: Any money which enterprises acquire will be used to raise pay and spend on cheap products... And they do not concern themselves about what will happen to the enterprise in a year or two if they do not invest in it.

[Savvateyeva] Do you think that people are beginning to understand that you cannot live like that?

[Gaydar] I think that, in that sense, privatization should decide much. In 1993 the process of the formal redistribution of property is going through a critical stage. I am convinced that the completion of formal privatization will itself separate those enterprises whose leaders are already beginning to become aware of the new situation, in which you have to experience conflicts with the collective, but nevertheless choose the correct development strategy. Meetings of stockholders will take place, and I am absolutely convinced that a significant number of enterprises will begin to restrain pay and put money into investments.

[Savvateyeva] Yegor Timurovich, in working with the regions you obviously encounter a great many social problems. Now you are advising the Yaroslavl authorities to stop subsidizing the countryside and to change the structure of agriculture, and to abolish some directions in stock breeding and crop farming altogether. But after all, there are living people behind this, unemployment problems...

[Gaydar] Of course, there is still no light visible at the end of the tunnel as far as our social problems are concerned. Many of them are only just beginning to arise. Even unemployment. Although, essentially, we do not yet have a problem with unemployment. Anywhere. Except for a very narrow circle of regions—such as Ivanovo, for example. But we probably will have. After all, we are no different from the rest of the world. Today's unemployment situation is attributable to the inertia of the behavior of the postcommunist leader: The desire to maintain the work force, even at the cost of a real reduction in pay and in the working day. Incidentally, in the big picture, I by no means believe that this is so bad: Society needs time in order to adapt to the new reality. In my opinion, nowadays everyone realizes that unemployment is inevitable. If not today, then in five-six months. But we should not scare ourselves with the suggestion that we will have 15 million unemployed by December. All this is utter rubbish. There will be the customary level of unemployment for countries with a market economy. Regions which persistently implement a policy of mass subsidies, a policy of reproducing outmoded economic structures, will in about three years' time be regions of mass poverty.

[Savvateyeva] Don't you think that the growing economic strength of the territories is fraught with the risk of their political isolation and the disintegration of the country?

[Gaydar] I view the development of local autonomy today calmly. When they try to scare me with stories that 30 regions are not paying taxes, I, of course, know that this is not the case. They are paying. Even those that are declaring publicly that they will not pay are doing so. After all, when you do not pay taxes into the federal budget, you do not receive state funding, you do not receive conversion credits, you cannot count on centralized imports... I think that any sober person who thinks not simply of his own political career in the next three months, but about his people, understands what is possible and what is not. Especially since the example of our neighbors in the former USSR is there for all to see.

Incidentally, about our neighbors. Some of them are already asking to come back into Russia. Life is cruel, and a very stern tutor. In 1989 many thought that we only had to replace the old political elite with a new one, and that rivers of milk and honey would flow immediately. But then real life began, and it turned out that in it you have to count money and think about export potential and import requirements. And today there is a quite strong tendency to restore economic ties.

Decree on Natural Gas Prices Published

PM2607142393 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 93 First Edition p 5

[Decree No. 678 of the Russian Federation Council of Ministers-Government "On State Regulation of Prices of Natural Gas and Other Energy Resources," signed by V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government, and dated Moscow, 13 July 1993]

[Text] With a view to ensuring the stable working of gas industry enterprises and associations and boosting the effectiveness of the use of energy resources in the national economy, the Russian Federation Council of Ministers-Government decrees:

1. That a rate of duty of 15 percent of the sale price (excluding value added tax) per 1,000 cubic meters be fixed as of 20 July 1993 for natural gas sold by enterprises and associations involved in the transportation and shipment of Russian "Gazprom" Joint-Stock Company gas to gas sales organizations (resale outlets) and direct consumers, bypassing these sales organizations. Duty is paid on natural gas exports at the Russian Federation domestic market price.

Duty is paid into the Russian Federation republic budget when the natural gas is sold.

2. That the Russian Federation Finance Ministry and the Russian Federation State Taxation Service ratify an instruction on the procedure for the payment of duty on natural gas.

3. That a state-regulated industrial wholesale price be introduced as of 20 July 1993 on natural gas of 7,900 rubles [R] per 1,000 cubic meters on conditions ex-delivery points by suppliers and resale outlets of enterprises and associations transporting and shipping gas with a rated thermal yield of 7,900 kilocalories per cubic meter. [sentence as published] If the actual thermal yield of the gas deviates from the rated yield by over 100 kilocalories per cubic meter (420 kilojoules per cubic meter) suppliers and resale outlets pay for the gas at a rate based on the actual thermal yield.

Value added tax is levied on the set price of the natural gas.

4. It shall be established that end consumers (except the population and housing construction cooperatives), when natural gas is supplied via the system of gas sale organizations (resale outlets), irrespective of the form of ownership and organizational-legal forms, pay for the gas at the industrial price envisaged in Point 3 of this decree plus the R1,100 surcharge per 1,000 cubic meters prescribed for these organizations. Value added tax is levied in addition to the above surcharge.

Natural gas is sold in accordance with the same procedure to end consumers without the involvement of gas sales organizations (resale outlets) directly by suppliers (enterprises and associations involved in gas transportation and shipment).

However, Russian "Gazprom" Joint-Stock Company enterprises channel R300 of the surcharge per 1,000 cubic meters into the Russian Federation Ministry of Fuel and Energy investment fund to ensure the development of the provision of piped gas supplies, including in the countryside.

Organs of executive power of republics within the Russian Federation, krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg shall reserve the right accorded to them by the Russian Federation Council of Ministers-Government Decree No. 88 of 29 January 1993 "On State Regulation of Prices of Natural Gas and Other Energy Resources" to differentiate the above surcharge in terms of gas sales organizations (resale outlets) irrespective of forms of ownership and organizational-legal forms provided that the price of gas purchased from enterprises and associations involved in gas transportation and shipment and the price of gas sold to end consumers remains unchanged.

5. Natural gas is issued to gas sales organizations (resale outlets) for subsequent sale to the population and housing construction cooperatives at a price of R600 per 1,000 cubic meters. Value added tax is levied on that price.

Natural gas is sold to the population and housing construction cooperatives at a price of R2,000 per 1,000 cubic meters, inclusive of value added tax.

6. It shall be established that as of 15 August 1993 wholesale industrial prices of natural gas as well as surcharges fixed thereon for gas sale organizations (resale outlets) are indexed on a monthly basis (except that issued to the population and housing construction cooperatives), based on the average industrial price index for the previous month according to Russian Federation State Committee for Statistics figures.

The Russian "Gazprom" Joint-Stock Company and the "Rosstroygazifikatsiya" State Enterprise inform suppliers and consumers of the monthly indexing within five days of the price index's being announced.

7. A maximum state retail price for liquefied gas sold to the population for domestic needs (apart from gas issued to refuel motorized transport) shall be established—R35 per 1 kg, inclusive of value added tax.

The Russian Federation Finance Ministry shall, with the participation of interested organizations, submit within the month, in accordance with established procedure, proposals pertaining to the amount and procedure for subsidizing production and sales of liquefied gas to the population.

8. Maximum multipliers for wholesale price hikes in respect of certain kinds of industrial-technical output shall be approved as well as maximum multipliers in respect of increases in the price (rate) of certain kinds of output and service for the population whose prices are still regulated by the state according to Appendices Nos. 1 and 2.

9. The Russian Federation Finance Ministry, the Russian Federation Economy Ministry, the Russian Federation Committee for Pricing Policy, the Russian Federation Ministry for the Social Protection of the Population, and organs of executive power of republics within the Russian Federation, krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg are to ensure the targeted social protection of impoverished strata of the population.

10. The Russian Federation Ministry of Fuel and Energy, in conjunction with the Russian Federation Committee for Pricing Policy, based on the results of work in the second half-year of 1993 [as published] is to submit proposals for the further indexing of prices and rates of certain kinds of output and services for the population whose prices and rates are still regulated by the state.

Prices and rates of certain kinds of output and services for the population are to be indexed henceforth using measures to provide citizens with social protection.

11. The federal energy commission and regional energy commissions, with the participation of organs of executive power of republics within the Russian Federation,

krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg, when examining questions linked with fixing rates for electricity and heat, are to adjust rates for electricity and heat for all consumers (except the population) taking into consideration the change in prices and rates of consumed fuel, material and technical resources, and other factors.

12. The Russian Federation Ministry of Fuel and Energy is to draft and submit within the month a draft edict of the Russian Federation president on the creation of a unified stabilization and development fund within the system of the "Rosstroygazifikatsiya" state enterprise for the organization of the provision of piped gas and the gas supply process and normative payments into this fund from the surcharges established on behalf of gas sale organizations in order to ensure the development of "Rosstroygazifikatsiya" enterprises.

13. In Paragraph 2 Point 3 of the Russian Federation Government Decree No. 951 of 10 December 1992 "On the Procedure for Using Hard Currency Obtained from Exports of Natural Gas in 1993" the words "at end consumer prices within the country" should be replaced with the words "at a price of R14,000 per 1,000 cubic meters, meaning the price minus duty and value added tax."

14. Points 1, 3, 4, 7, and 12, Point 2 Paragraph 1, and Point 5 of the Russian Federation Council of Ministers-Government Decree No. 88 of 29 January 1993 "On State Regulation of Prices of Natural Gas and Other Energy Resources" (Collected Acts of the Russian Federation President and Government, 1993, No. 6, page 486) shall be deemed invalid.

15. This decree comes into force 20 July 1993.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government.

Appendix No. 1: Maximum Multipliers of State Regulated Prices of Certain Kinds of Industrial-Technical Output in Force Prior to 20 July 1993

[Columns in the following table represent as follows: Column A—Output sold at state regulated prices; Column B—Maximum multiplier (excluding value added tax—value added tax is added to prices calculated using the multipliers below) of previously set state regulated wholesale prices]

A	B
Petroleum Gas (excluding shipments for gas processing plants)	2.2
Dry gas minus light benzine fraction	2.2
Wide fraction of light hydrocarbons	2.0
Liquefied gas for domestic needs	2.5

Appendix No. 2 : Maximum Multiples of State Regulated Prices and Rates for Certain Kinds of Output and Services for the Population Prior to 20 July 1993

[Columns in the following table represent as follows: Column A—Output sold at state regulated prices and rates; Column B—Maximum multipliers (including value added tax) of previously prescribed state regulated prices and tariffs]

A	B
Fuel (coal, peat and coal briquettes, timber, etc)	5
Kerosene, domestic stove fuel	20
Thermal power for heating and hot water, water supply and sewerage services	3

Military Issues

Kokoshin Visits 'Mil' Helicopter Design Office

LD2707221993 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 27 Jul 93

[By correspondent Aleksandr Ilyin; from the "Novosti" newscast]

[Text] A group of military specialists led by Andrey Kokoshin [Russian first deputy defense minister] visited the Mil design office helicopter works and testing center. The helicopters of the design office make up 95 percent of the country's entire helicopter fleet. Many of them, such as, for instance, the Mi-26, because of its unique possibilities and carrying capacity, are in demand throughout the world.

Things are far worse as regards the Mil helicopters with which our Army is equipped. As regards many parameters they have long become obsolete and first of all in the sphere of radio-electronic equipment which does not permit, for instance, the carrying out of combat tasks in conditions of limited visibility. At the Mil design office this is understood and it is not fortuitous that it was precisely with military specialists that they discussed their problems.

[Begin Kokoshin recording] Well, do you want to know what our problem is? Our problem is lack of more or less normal financing. If we had that, then, on the whole it would not be all that difficult to implement the work in hand. [end recording]

And even in the conditions of a stringent limit of financing, at the Mil design office they have learned not only earning up to half of the funds for their budget but at the same time designing several models of new helicopters. Among them, the latest Mi-28 helicopter was demonstrated to participants in the meeting; as to some

of its parameters, it is superior to its best foreign counterparts. The Army's combat readiness depends on how quickly its series manufacture in our country can be achieved.

Defense Ministry Orders Production

LD2707203493 Moscow ITAR-TASS in English 1937 GMT 27 Jul 93

[By ITAR-TASS military observer Andrey Naryshkin]

[Text] Moscow July 27 TASS—"The Mikhail Mil design bureau has created a whole family of helicopters which are fully fit for modernisation, as well as machines having good prospects," First Deputy Defence Minister of Russia Andrey Kokoshin said at the test-flying complex of the famous firm today.

Recalling that Mikhail Mil design bureau machines constitute 95 per cent of the total number of helicopters at service in commonwealth countries, Kokoshin said: "We are very much interested in seeing this firm become a viable and strong enterprise which will work not only for the armed forces, but also for civil aviation, including the world market. Notwithstanding the complex financial and economic situation, it has very good prospects. A wide range of machinery for civil, military and dual purpose is developed here which ensures its stability in harsh market conditions. We will search for solutions which will take into consideration the interests of the development of its scientific and research basis and conserve vast intellectual potential."

"The "Mi-28" tank destroyer helicopter became the "top attraction" of the programme organised by "Mi" bureau workers today. This fighting machine for the first time became airborne in 1982 and had a difficult fate. The work on this helicopter remained suspended for a long period, but the Russian military department leadership came to the conclusion that this was not justified.

Replying to a question asked by an ITAR-TASS correspondent, Andrey Kokoshin emphasised: "'Mi-28' should be perfected, and the Russian land forces should be armed with it."

A decison to begin serial production of "Mi-28" has already been adopted at the government level, and "Mi" bureau workers are going full speed ahead perfecting a number of its systems. The main thing is to make the helicopter all weather, or as the designers call it in their jargon "twenty-four-hour", that is capable of carrying out any combat mission during day or night.

Text of Yeltsin Edict on Marking War Anniversaries

PM2707141993 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 93 p 1

[Edict of the Russian Federation president "On Preparations To Celebrate Memorable Dates in the Great Patriotic War of 1941-1945," dated Moscow, the Kremlin, 23 July 1993 and signed by Russian Federation President B. Yeltsin]

[Text] Mindful of the worldwide-historic significance of the victory over fascism in the Great Patriotic War of 1941-1945 and with a view to coordinating the activities of central organs of the federal executive, organs of the executive of republics within the Russian Federation and of krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg, and public organizations in preparing for and celebrating the 50th anniversary of the victory and other memorable dates in the Great Patriotic War of 1941-1945, I decree:

1. The Russian Organizational Committee to prepare for and hold measures in connection with the celebration of memorable dates in the Great Patriotic War of 1941-1945 (hereinafter called the Russian Committee) is to be formed, headed by V.F. Shumeyko, first deputy chairman of the Russian Federation Council of Ministers-Government.

The Russian Committee is to carry out its activity in cooperation with the organizational committee to prepare for and hold measures devoted to the 50th anniversary of the victory in the Great Patriotic War, formed by the Russian Federation Supreme Soviet decree of 13 May 1993.

2. The Russian Federation Council of Ministers-Government is to approve the personnel makeup of the Russian Committee and the statute on it, having made provision for the procedure for funding its activity, for the allocation of the necessary office premises, and for the provision of communications services and of means of transport on contract terms.

3. The Russian Committee is to draw up and submit to the Russian Federation Council of Ministers-Government a draft program of preparations to celebrate memorable dates in the Great Patriotic War of 1941-1945.

4. The Russian Federation Ministry of Defense, the Russian Federation Ministry of Security, the Russian Federation Ministry of Internal Affairs, the Russian Federation Ministry of Foreign Affairs, the Russian Federation Ministry of the Press and Information, the Russian Federation Ministry of Culture, the Russian Federation Foreign Intelligence Service, and local administrations, in accordance with the Russian Federation Law "On Perpetuating the Memory of Those Who Died While Defending the Fatherland," are to take the necessary measures to put military burials grounds in order, to seek and bury the remains of those who died while defending the fatherland, and to complete the creation of republic, kray, oblast, and city (the cities of Moscow and St. Petersburg) Books of Remembrance.

5. The government of Moscow together with the Russian Federation Ministry of Defense and the Russian Federation Ministry of Culture are to ensure the completion of

construction of the memorial complex on Poklonnaya Gora in the city of Moscow within the set deadline.

6. The Russian Committee is to propose to the governments of the CIS member states, the states of the anti-Hitler coalition, and other foreign countries through the channels of the Russian Federation Ministry of Foreign Affairs and to international and national nongovernmental organizations through the channels of the Russian Federation Commission for UNESCO Affairs that they participate in the preparations to celebrate memorable dates in the Great Patriotic War of 1941-1945.

The Russian Federation Ministry of Foreign Affairs is to provide the necessary political and diplomatic assistance in carrying out anniversary measures in the Russian Federation and in foreign countries.

7. The proposal by the Russian Academy of Sciences, the Russian Federation Ministry of Defense, and the Russian Federation Ministry of Foreign Affairs to hold the international conference "50 Years of the Victory Over Fascism" in the city of Moscow in the first quarter of 1995 is to be agreed to.

[Signed] B. Yeltsin, president of the Russian Federation. 23 July 1993

Supreme Soviet

Khasbulatov Interviewed on Current Issues

PM2807100593 Moscow KOMSOMOLSKAYA PRAVDA in Russian 27 Jul 93 p 3

["Direct Line" telephone conversation between Ruslan Khasbulatov, Supreme Soviet chairman, and KOMSOMOLSKAYA PRAVDA readers: "Ruslan Khasbulatov: 'My Nationality Is Chairman of the Russian Federation Supreme Soviet'"]

[Text] Many KOMSOMOLSKAYA PRAVDA staffers will remember how seven or eight years ago the man they saw wandering down the long corridor on the sixth floor of the building was not at that time Chairman of the Supreme Soviet but a modest author by the name of Ruslan Khasbulatov. In those days, which now seem so far off, the professor brought us some bold and even revolutionary articles in which the key element was surely the word "market." The editorial collective met and the discussions became impassioned. But Khasbulatov's items nevertheless were published regularly and as a result the KOMSOMOLSKAYA PRAVDA chief editor received equally regular reprimands.

Perhaps that is why Khasbulatov, as he himself has acknowledged, considers KOMSOMOLSKAYA PRAVDA his newspaper. And that is also why he takes offense at us more than the rest: He did not expect such a betrayal from KOMSOMOLSKAYA PRAVDA, apparently. But let us note without false modesty that KOMSOMOLSKAYA PRAVDA's merit lies in the fact that it does not favor this or that political leader but its readers. That is why we decided once more, as in past years, to give the floor to the man who is not only chairman of the Supreme Soviet but also a corresponding member. Ruslan Imranovich's dialogue with the readers was, to his surprise and, we admit, our own, quite amicable and lasted around three hours.

[Reader] Hello, Ruslan Imranovich. This is Yuliya from Ufa and I am 20 years old. I have two questions for you. Recently you have constantly been betrayed by your colleagues: Shumeyko, Ryabov, and Filatov. They are all working for the president now. There has even been a rumor that the chief of your personal bodyguard recently abandoned you. Why is this happening?

[Khasbulatov] Probably the whole problem is due to the fact that people are different. But using very simple criteria you can highlight two groups. One—those with a conscience, the other—those without. Clearly I am a bad judge of people, I am too trusting. What can I tell you, Yuliya? There is another factor here: People want to live where life is not too difficult. They are drawn to places where it seems to them that strength prevails. But some... There are some people you cannot buy for a 100 rubles [R] but you can for a million.

[Reader] But well known people have left you...

[Khasbulatov] Well I would not say that they are very well known, I do not think that anything terrible will happen in society were they to go where they are now. Such people will always find themselves a place.

[Reader] I would like to know what relations were like with your family the last time that you visited Groznyy?

[Khasbulatov] I have not been there for a long time. The situation there is quite complex and it has been very difficult for me to travel there lately.

[Reader] But is it true that people there consider you a foreigner and are not very fond of you?

[Khasbulatov] It is untrue because I am one of the most popular people there.

[Reader] Are they proud of you?

[Khasbulatov] My voters are proud of me. Many of them have had to leave the Chechen Republic. But I was elected on behalf of Groznyy. Almost 80 percent of the population there is Russian. Dudayev's regime is doing a lot to intimidate the people.

[Reader] Ruslan Imranovich, a year ago there was a noisy campaign: Chechens were thrown out of Moscow hotels..

[Khasbulatov] There was a lot of talk that the Supreme Soviet was using its influence to find accommodation for people from Groznyy. I issued the corresponding instructions: First, find out who in the Supreme Soviet was doing this and for whom. Second, check whether these people were on business assignments. Third, why

they were being housed there. And if this all proved unfounded, of course, then the whole matter was to be investigated and the people moved out. Was that the correct decision?

[Reader] Well of course.

[Khasbulatov] But this decision did not please those who were trying to compromise me in some way. They began spreading the myth that I was persecuting my Chechen fellow countrymen, creating a ghetto for them, and not allowing them to live in Moscow hotels.

[Reader] But is it true that you said that they are keeping tabs on you? Can someone really keep tabs on the head of parliament?

[Khasbulatov] Apparently they can. In actual fact this happened in December 1992 at the time of the Seventh Congress.

[Reader] Ruslan Imranovich, I am Nikolay Kopchenov from St. Petersburg. At the Seventh Congress of People's Deputies in December you said that you were tired and you were going to stand down. Let us be honest about it: What was this—just a game, an attempt to provide yourself with some insurance, or an understanding of the fact that this was the end of politics?

[Khasbulatov] Well, you saw for yourself. This was my natural reaction. I was even very ready to stand down but the congress decided otherwise so I stayed.

[Reader] But what if they had forced you to go, what would you have done? Would you have set up some kind of foundation like everyone else?

[Khasbulatov] I would go back to my university department which I am still head of. I should like straight away to reassure those who are thinking: Ah-ha, he is head of a department but isn't averse to earning a bit extra! Well, I do not receive pay. The institute's academic council asked me not to give up this work and I am working on a voluntary basis.

[Reader] Ruslan Imranovich, may I ask you a personal question? How much do you earn at the Supreme Soviet?

[Khasbulatov] R127,000.

[Reader] Do you have any other income?

[Khasbulatov] I publish books and articles—here and abroad.

[Reader] One last question: leaving the demagogy aside, are you in favor of capitalism or socialism?

[Khasbulatov] And you, are you for the bolsheviks or the communists? The fact is that the capitalism that is being born in our country now is 19th century capitalism and doesn't exist anywhere else in the world today. And this is what we are striving to achieve. Now a process of convergence is developing—a process in which the two systems influence and absorb one another. Both systems must adopt the best features available. The market—yes, but there must be democracy here alongside the market. Socialization. A very powerful state role. The state must protect the needy and the young. The voice of the state must be heard in the sphere of culture. And generally speaking the state's social functions must increase.

[Reader] But would you like American-style capitalism here?

[Khasbulatov] American-style capitalism remains to a greater extent subject to classical capitalism. But look at what is happening in Scandinavia and Western Europe—to a considerable extent this is a combination of the best qualities of classical socialism, which we did not have, and capitalist competition. That could be acceptable. To put it in scientific language there needs to be an economic reform with a strong social orientation, a social-market economy.

[Reader] Hello, I am Sergey Kozhevnikov, an engineer from Moscow. Do you think that the president is pursuing the right economic policy today?

[Khasbulatov] I think that it is the wrong policy.

[Reader] What about the foreign and domestic policies?

[Khasbulatov] Well, I do not want to pass hasty judgment on the president. That would be unethical among other things. I prefer to answer questions relating to me. But in principle I believe that the economic policy that is being implemented now is having a disastrous effect on everything. Deeper economic reforms can be implemented without making paupers of people. But we have made them poorer than in 1990! Yes, we support deep reforms but people must not be made to suffer as a result.

[Reader] Do you want the president to retire or not to win at the next elections?

[Khasbulatov] I would rather not comment on that question.

[Reader] But would you like him to remain president of Russia?

[Khasbulatov] I would like the president of Russia to be president.

[Reader] But does that mean Boris Nikolayevich Yeltsin or someone else?

[Khasbulatov] I believe that whatever shortcomings our officials may have we must take account of the laws and the will of the people who elected them and not strive for revolutions. Understand me: If I say that the president must go and the president in his turn says, no, the Supreme Soviet must go, what does that make of us? Bolsheviks? But that is unacceptable. We need to be tolerant of shortcomings. It is simply essential to somehow agree on a line of conduct, bearing in mind that this must be not my line or the president's line but the state line. Agreed?

[Reader] Well I am sorry but sometimes the impression is created that you want to topple the president.

[Khasbulatov] No, Sergey, I do not want that. I am always opposed to violence.

[Reader] Ruslan Imranovich, I have another question. Soviet power and the soviets—are they the form of people's power that you really want?

[Khasbulatov] What can you offer in exchange? The soviets are the representative organs of power. Whom does the citizen elect, whom does he come into contact with? With the soviets, right? Next—with the rayon soviet. It is a different matter that when the party committees were around they did not let the soviets function properly. And the party committees themselves were sometimes spawned to keep the soviets on a tight rein, to control them. But now when any citizen has the opportunity to directly elect his representative to the soviets why should such a form be a hindrance?

[Reader] But the people there are mainly the nomenklatura.

[Khasbulatov] In that case you are opposed not to the institution of the Soviets as such as to specific nomenklatura people.

[Reader] Of course. Can I ask one final question which you will perhaps find unpleasant? It is about Brezhnev's apartment which you occupied. Is that right? Is that moral or ethical?

[Khasbulatov] First I have to say that this is not Brezhnev's apartment, nor is it Chernenko's apartment.

[Reader] What is the total area?

[Khasbulatov] Around 300 [square] meters.

[Reader] How many people are there in your family?

[Khasbulatov] To be honest, it is full of my relatives right now because they have all fled the Caucasus. There is no room even at the dacha. So I have no separate office. I sleep in the same room as my son. And I have to tell you that they have stopped criticizing me for that apartment now. Do you know why? Because everyone holding posts a hundred times inferior to mine has gotten hold of equally luxurious apartments. Thousands of people have begun to live in such conditions so that compared with them my apartment is a hovel.

[Reader] Hello, I am Yura Vudayko from Ukraine. Right now I am visiting people in Moscow. In a speech recently you said that you cannot even call Yeltsin on the phone. Do you not have a direct line?

[Khasbulatov] My friend, you ask very difficult questions. Perhaps you can ask something a little easier?

[Reader] Then how do you assess relations between the Supreme Soviet and the president?

[Khasbulatov] Normal. We are a completely autonomous power. Parliament must be independent. The president, too, must not be under parliament. We must work together in people's interests. Probably we should coordinate our actions and try to call one another and talk more often. So I regard this as a perfectly fair criticism of me. Have I understood you correctly?

[Reader] Of course. But tell me, do you and Boris Nikolayevich meet at all?

[Khasbulatov] We do.

[Reader] So can we expect some joint, constructive decisions?

[Khasbulatov] If that is up to us then you can take it for granted.

[Reader] Ruslan Imranovich, there is a rumor that you are going to quit your job in the near future.

[Khasbulatov] I do not intend resigning.

[Reader] This is Yevgeniy Pavlovich on the line from Babushkinskiy Rayon. This is my question. We often used to argue at work. There was a publication which said that you had an affair with a journalist, I think she worked for SOBESEDNIK. We men would simply like to know: Is it true? And if so, what impact did this have on relations in your family?

[Khasbulatov] I find it very unpleasant when people say such things. Well, how would you like it? And what impact did it have... My wife got over it and that's that. She can see that people are pouring dirt on me. And not only in this regard. Especially since the publication appeared the day that the congress opened.

[Reader] Thank you, Ruslan Imranovich, I shall pass this on to our people.

[Reader] Hello, this is Yevgeniya Fedorovna from Greater Moscow. I would like to know about your mutual relations with television.

[Khasbulatov] The complaints against television are not due to the fact that the people there criticize us. It is simply that the level of presentation of journalists' materials is not very high. But that depends on the level of culture. What do you expect? If someone is allowed to appear on screen and is heard by the whole world then he sometimes wants to appear far more intelligent than he really is. Incidentally, that is a common affliction. It is characteristic of us parliamentarians too, furthermore. Unfortunately it is the malaise of all revolutions. They always bring to power a vast number of people who are unprepared for big-time politics and a whole group of new politicians who think that they are simply born leaders. But politics is a complex business.

[Reader] My name is Alekseyev and I am from Moscow. I get the impression that relations between Russia and Ukraine have now reached crisis point again. The

reason, many people believe, is the Supreme Soviet Decree on Sevastopol. In your opinion, how will subsequent events develop?

[Khasbulatov] I think that subsequent events must develop normally. But we are not proposing that the decree be implemented right away. It contains an instruction to the government to enter into negotiations. The situation now is such that you have to take account of public pressure. We are coming under very serious pressure not only from historical factors proving that Sevastopol belongs to Russia but also from Russian public opinion. It was not very easy for us to make this decision. Peaceful talks must be held afterwards. We have traditionally had good relations with Ukraine. It would be a sin to wreck them.

[Reader] Ruslan Imranovich, this is Nikolay Repnik from Tula. Lately you have been looking somewhat pale—literally. Why? Do you have no time for getting out in the sun? Or are you afraid of Dudayev?

[Khasbulatov] You know I am fairly dismissive of all these dangers because I am a fatalist by nature and naturally I take a modest view of my life and person. But you are right: There is simply no time for getting out in the sunshine. Soon summer will be over and to be honest I have not been out in the countryside even once.

[Reader] I wish you health.

[Khasbulatov] Thanks, I'll do my best.

[Reader] Ruslan Imranovich, this is Aleksey Nikolayev from Vorkuta and I am a miner. What were the themes of your candidate's and doctor's dissertations? And have your views of the economy changed since then?

[Khasbulatov] No, they could not change because for example the candidate's dissertation which I defended in 1970 was called "The state sector in the Canadian economy and the organization of its management." As you can see, I was studying the market a long time ago, a quarter of a century, not like the reformers who wake up one day and suddenly discover what the market is. I have studied this my whole life, I have taught students and postgraduates, and I have trained people with doctorates. That is why I have never tired of telling people, not even Yegor Timurovich Gaydar: The kind of market that you are trying to build does not exist anywhere in the world.

[Reader] Greetings to you from Perm. My name is Yevgeniy Anatolyevich Kurganov, I am a militia lieutenant and I want to talk about the Tajik-Afghan conflict. Will Afghanistan be made to bear some responsibility for the attack on our border posts?

[Khasbulatov] You know that we in parliament adopted a whole series of documents pretty quickly, ratified them, and instructed the government and the Foreign Ministry to hold talks with Kabul.

[Reader] Tell me, please, why do we need to defend other people's borders?

[Khasbulatov] Unless we firmly protect the borders along the perimeter of the former Soviet Union and in the approaches to the nearby foreign parts does it not seem to you, Yevgeniy, that one fine day our borders might not move a little close to the Urals? Yes, it is difficult for us but the population must understand that we must protect the borders. Because of treaty obligations within the CIS as well. What can you do, such is the historical mission of our state. It is a different matter that it is necessary to reinforce the borders and not leave the border troops one-on-one with an aggressor.

[Reader] Ruslan Imranovich, if a U.S. citizen has been made to suffer in some other country the Americans immediately send in an aircraft carrier!

[Khasbulatov] I am not a supporter of aircraft-carrier policy and I condemn such diplomacy but I do support a powerful and effective policy. That is why we in parliament constantly criticize the compliance, the criminal compliance, with which our foreign affairs are conducted. We make concessions everywhere. Previously they called our foreign minister "Mr. No," but now they call him "Mr. Yes."

[Reader] Ruslan Imranovich...

[Khasbulatov] What is your name?

[Reader] Nikolay Nikandrovich. Why do you allow such crude criticism of you personally?

[Khasbulatov] How can I ban criticism? Where is freedom of speech here? That is why they are criticizing. If that criticism is crude then simply thank them for their crude criticism.

[Reader] Ruslan Imranovich, this is Sasha Smirnov from Moscow. How do you view the Russian Government's decision on the cryogenic rocket engines? Does this mean that we do not have the right to sell what we want to India without the Americans' permission?

[Khasbulatov] We cannot allow our foreign policy to be under the control of another state. As for the cryogenic engines, when I was paying an official visit to India the president and I both confirmed that these agreements must be honored.

[Reader] But what has the Supreme Soviet done to ensure that?

[Khasbulatov] The Supreme Soviet will examine those aspects which one way or an other are preventing the fulfillment of this contract. Apparently one agreement signed by the President of the USSR back in 1990 formally conflicts with the corresponding agreement with America. And now it turns out that some of our officials made special efforts to find this contradiction and are trying to block the agreement with India.

[Reader] But can parliament defend this cause?

[Khasbulatov] It can.

[Reader] Hello, Ruslan Imranovich, my name is Irina Nikolayevna and I am from Moscow. The Supreme Soviet cannot influence the government's policy or adjust the course of reforms and by its very existence it seems to be giving its blessing to all this chaos. Would it not be somehow more logical for the present Supreme Soviet to retire? Perhaps it will be replaced by people with the ability to exert some real influence on the situation in the country?

[Khasbulatov] Irina Nikolayevna, yes, the Supreme Soviet would go without a moment's thought if everything could be as you suggested. But if the Supreme Soviet or the Congress were to stand down now do you not think that the result would be no elections at all? There would simply be an announcement of a dictatorial regime which would be like the old totalitarian regime—such as existed under the General Secretary and the Politburo. Do you really want that?

[Reader] No, I certainly do not.

[Khasbulatov] We are not going to resign because we fear the worst. And in the second place we will prepare all the constitutional laws and make democracy in the country irreversible so that no dictator will attempt any coups such as we have already had. That is why we are working to ensure that the political regime does not slide toward a regime of neototalitarianism. But all the preconditions for that exist.

[Reader] Hello. My name is Sergey Mishin. Ruslan Imranovich, did your forebears really serve in Tsar Alexander II's bodyguard? And I would also like to know what is your view of horses?

[Khasbulatov] Yes, my forebears served in the Russian Army. Some took part in Suvorov's campaigns. If you were to resurrect all of my forebears who served in the Russian army you could probably form a guard's officer battalion out of them.

Now, what is my view of horses?. I like them a lot. I myself have ridden horses and even bulls when I was five years old because my mother was a milkmaid on a kolkhoz. I think that I still have the knack now. I would like to have a go now. Certainly that would be a lot easier than chairing a session of the Supreme Soviet.

[Reader] Hello, Ruslan Imranovich. Aleksandr Belevskiy from Zaporozhye on the line. Tell us, is it true that you recently went on pilgrimage to Mecca?

[Khasbulatov] Not recently, but last year. I was invited by the king of Saudi Arabia. And naturally the invitation had to be accepted. Did I do the right thing?

[Reader] Of course, you did. But do you consider yourself a Muslim?

[Khasbulatov] It is usual throughout the world to consider these questions as pretty personal. At any rate, I am not in favor, as an atheist, of standing there, candle in hand, pretending that I am a religious person. I consider that you should neither play on the public through religious feelings nor attract people through bogus religiosity. I regard that as immoral.

[Reader] This is Lena Timoshenko from Volgograd. What is your wife's nationality? Is she a Chechen, too?

[Khasbulatov] Don't you think that we have spoken overmuch about our ethnic differences? I will put it this way—my nationality is chairman of the Supreme Soviet of the Russian Federation. And let that be an end to it. There are 140 nationalities in our country—so, are we now going to all go our separate ways? I have lived in Moscow for thirty years and have never been asked so many questions regarding nationality. I am not a Russian but I do more for the Russian people than many Russians would do in my place.

[Reader] Hello, Ruslan Imranovich, Sergey Balashov speaking. I would like to ask whether you have any pets at home?

[Khasbulatov] I've got a cat.

[Reader] What is it called?

[Khasbulatov] Barsik. He a handsome, yellow cat resembling a snow leopard ["bars" is the Russian for "snow leopard"].

[Reader] Hello, this is Dmitriy Zilevich calling. I would like to know why so suddenly the exchange rate of the dollar is falling?

[Khasbulatov] But it isn't, the exchange rate of the dollar is not falling. In actual fact, it has risen too high. I think it has gone up fiftyfold. Can you conceive of a situation whereby two glasses of beer are worth one cubic meter of timber? What do you think?

[Reader] Ruslan Imranovich, this is Svetlana Aleksandrova from Belarusia. You have certainly been asked many questions. But I would like to know what your literary and musical likes are? What are your pastimes or hobbies?

[Khasbulatov] Well, they are difficult questions for me to answer because I have very little spare time. To be frank, I have always preferred the classics. I can remember going to the opera for the first time in Alma-Ata. I was 13 years old. I wore large ersatz leather boots. And was very reluctant to take my large cloth cap off. Such a cap was very fashionable at the time. "Prince Igor" was being sung, the first opera I had heard.

As far as my hobbies are concerned, all my hobby time goes on writing. I am now working on a two-volume

work entitled "World Economics." This is a continuation of my two-volume "International Economic Relations, which came out in 1991 and which serves to date as a textbook for students at economic higher educational institutions.

[Reader] Valeriy Ibragimov on the line from Tashkent. What is your attitude to the Constitutional Conference?

[Khasbulatov] Certainly there is a need for greater coordination amongst ourselves before coming out with an initiative. And the Constitutional Conference is an example of this. They find and gather together some completely unknown people and say: Let's adopt a constitution. Have you ever heard anywhere in the world of such an irresponsible attitude to one's homeland, one's constitution, and one's people? Why have very major decisions of state started to be made by a motley crew of ill-prepared and irresponsible people?

[Reader] And does the president belong to that "motley crew"?

[Khasbulatov] No, I am not saying that. The president is one of those among the host of politicians who has professional grounding. He has worked for many decades in the system of party organizational development and he knows what the state is. So I am thinking of the president himself least of all.

[Reader] This is Gordenko from Petersburg speaking. What political event could make you tender your resignation?

[Khasbulatov] As soon as we straighten out the country, that will be a marvellous political event, and I will resign forthwith.

[Reader] Last question. You have clearly decided to suspend privatization, haven't you?

[Khasbulatov] Who told you that?

[Reader] There are such rumors circulating in the newspapers and on television?

[Khasbulatov] There are lots of rumors, my friend, don't believe them. Don't believe your own eyes either.

Parliament Decision on Bank Note Exchange Detailed

LD2807095193 Moscow ITAR-TASS World Service in Russian 0835 GMT 28 Jul 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow, 28 Jul—At today's sitting the Russian Federation Supreme Soviet Presidium adopted a decision in accordance with which the bank notes issued in 1961-1992 will be in circulation throughout the entire territory of the Russian Federation until they are fully withdrawn through trading organizations and services. An ITAR-TASS correspondent was informed about this by a representative of the parliament's press service. However, journalists accredited to the parliament have not yet managed to familiarize themselves with the text of the decision.

No Official Statement on Money Exchange

LD2807100393 Moscow ITAR-TASS in English 0938 GMT 28 Jul 93

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow July 27 TASS—A spokesman for the parliament press office Igor Kurilov told ITAR-TASS that "the press service of the Supreme Soviet has issued no official statement concerning the money exchange".

Kurilov spoke after ITAR-TASS reported that the Parliament Presidium decided to effectively scrap the money change announced by the Central Bank of Russia at the weekend.

Parliament Ratifies Yeltsin Decree on Ossetia, Ingushetia

LD2807092193 Moscow ITAR-TASS World Service in Russian 0845 GMT 28 Jul 93

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow, 28 Jul—The Russian Supreme Soviet Presidium today ratified the Russian president's decree "On the imposition of a state of emergency on the territories of Mozdokskiy Rayon, Prigorodnyy Rayon, and adjacent areas in the North Ossetian Soviet Socialist Republic and of Malgobekskiy and Nazranovskiy Rayons in the Ingush Republic," signed on 27 July. An ITAR-TASS correspondent has learned this at the Russian parliament press service.

Paper Cites Parliament's 'Sad' Achievements

PM2707143993 Moscow IZVESTIYA in Russian 27 Jul 93 First Edition p 2

[Otto Latsis report: "Russian Supreme Soviet: Session of Sad Records"]

[Text] In connection with the past activities of our parliament, IZVESTIYA has frequently reported on the propaganda game in which the desire to accumulate political capital has prevailed over solving the country's real problems. This assessment needs to be substantially amended with regard to the Russian Federation Supreme Soviet session that has just ended. At this session real politics seemingly prevailed over games. And the nature of this politics needs to be studied very carefully.

It is indisputable that the most prominent "achievement" of its kind at this session was the decree temporarily suspending a series of privatization measures. In order to fully assess this decree, we must do what most of our deputies seem to have forgotten how to do: We must

look at its effect sideways on. Whatever we say about the branches of power and the separation of the branches, every voter retains in his mind an objective idea of state power as a whole, of "the people at the top"—whether they be deputies or ministers. And these "people at the top," if they really are statesmen, should retain a feeling for the responsibility that the state as such has to the people. They must realize that the state cannot and dare not give 150 million citizens documents entitling them to own property, and then, when some of these citizens have sold these documents, and others are thinking of doing so, turn around and announce: We are changing the rules of the game. This is like saying that we have decided not to play hockey; we are going to play dominoes instead.

It is not even a question in this case of the old rules being replaced by worse ones—the main point is that the rules have been changed. A statesman who does not understand that he cannot change the rules in the middle of the game—it is forbidden even to replace them with better rules!—has no right to remain a statesman for a single day. Because he is undermining statehood as such. Incidentally, there is considerable irony in the fact that this decision was voted for by those who like to call themselves statesman and who boast about this.

Apart from this assault on the privatization voucher, there is another remarkable side to these decisions: The transfer of the right to manage enterprises from the State Committee for the Management of State Property (which does not interfere in the management of production on principle) to the sectoral departments. This is an overt attempt to reinstate a state monopoly in its worse and most bureaucratic form.

Another peculiar record for the session was the approval of an annual budget including a deficit that exceeds income [as published]. This budget guarantees the continuation of the inflationary plundering of the people—the most universal and reliable of all methods of plundering. Certain details of parliament's work on the budget are also noteworthy—for example, the increase in expenditure in comparison with government proposals, and the rejection of the government's proposals to boost revenue. A government attempting to cut expenditure and a parliament that is preventing it from doing so—this is yet another paradox of current Russian politics.

A particular "achievement" of the session was the increase in military expenditure over and above the planned amount. Our deputies, who like to cite Western experience whether or not it is relevant, should remember that an increase in military expenditure in comparison with the government request is an extremely rare event in world parliamentary practice, and something which has adorned no other parliament. This sort of "achievement" is particularly striking in a country which is cutting its Armed Forces and armaments, a country with an unpaid foreign debt, and a country where deputies from the "opposition majority" are shouting from the rooftops about impoverishment of the people.

Insofar as, out of all its social objectives, the Supreme Soviet has given priority to strengthening defense, one cannot help asking: Against whom are we stepping up our defense when the former opposition from NATO on the one hand and China on the other no longer exists? Parliament has basically made this question fairly clear. Its resolution on Sevastopol earned condemnation from the UN Security Council—another record we can congratulate the deputies on. The whole world has just witnessed how mutual territorial claims of republics in a former federation initiated the Yugoslav nightmare—and now we see politicians in Russia who are prepared to embark on the same path toward war. No, not the same path, but one that is far worse. The parliament of the largest Slav country is picking a territorial quarrel with the second-largest Slav people. One nuclear power against another.

And once again the "opposition majority" is not afraid to display the hypocrisy behind its regrets for the collapsed Union: Who remembers the brotherhood of the peoples when it comes to giving us a base for the Black Sea Fleet! Once again the Ukrainian nationalists, who are urging people not to believe Moscow, have been handed a priceless gift. Once again the interests of Russians in Ukraine are being betrayed. Once again a blow has been dealt to hopes of setting up some sort of association of former Union republics including Ukraine and Russia. Having "done its bit" in the sphere of defense policy, the Supreme Soviet thought it would not have to go into the really niggling issue: The issue of our policy in Tajikistan, where Russian military participation significantly exceeds the efforts of the republics that share a common border with Tajikistan.

Everything points to the fact that the professional hired mourners of socialism have made their choice. No, not in favor of socialism, that's for sure. The choice is between liberal capitalism and state monopolism—and they have opted for the latter. Today they are attempting to remove the most significant achievements of the reform policy: Privatization and the destruction of the absolute power of the military-industrial complex. It has to be admitted that they have considerably refined their tactics. The recent raucous congress-rallies have been replaced by quiet attacks on key positions (including the mass media). Preparations for the All-Russia Economic Conference shows that this attack was conceived not just one step ahead, and, most important of all, it currently relies on a degree of cooperation with a significant section of the government. And all this is taking place against a background of talk about national consensus....

The bureaucratic revanchist party, the party of state monopolism, and the war party has collected itself following the shock of their historical collapse and switched to a counterattack against the democratic reforms. The Russian Federation Supreme Soviet is currently its main weapon. The deputies occasionally play their customary propaganda games, letting some bluff speaker onto the podium with "11 suitcases"

[reference to Rutskoy's accumulated evidence of corruption]. But the political game has now clearly faded into the background, and one cannot fail to draw practical conclusions from this. Against this background the apartment, pension, medical, and other benefits that were approved toward the end of the session seemed trifling to the deputies. However, the tab that taxpayers will have to pick up for this gift from the deputies is also a record in itself. If only we could have gotten rid of them for the same price—but it too was not to be. While they were playing around, merely displaying incompetence, the issue of curtailing the deputies' powers early could have been discussed merely as an option. But now, when games have been replaced by systematic and self-seeking class politics, early elections as soon as possible have become an issue of self-defense for the electorate, whose vital interests are threatened.

Regional Affairs

Yeltsin Declares State of Emergency in Ossetia, Ingushetia

LD2807082993 Moscow ITAR-TASS World Service in Russian 0755 GMT 28 Jul 93

[Report by ITAR-TASS correspondent]

[Text] Moscow, 28 Jul—In view of the continuing deterioration of the situation in parts of the territories of North Ossetia and Ingushetia, Russian President Boris Yeltsin has made a decision to introduce a state of emergency there from 1400 hours on 31 July until 30 September of this year. The decree to that effect was signed on Tuesday [27 July].

The president's press service announces that the decree stipulates that the Interior Ministry troops group in the state of emergency area is to be maintained at the level of 5,000 servicemen, and that the Defense Ministry troops group set up earlier is to be reinforced by increasing the number of army aviation helicopters.

The president also instructed the Russian Federation Security Council at a special session to give a political assessment to the events in October and November 1992 on the territory of North Ossetia (the Ossetian-Ingush armed conflict began in Prigorodnyy rayon of Vladikavkaz on 31 October 1992—ITAR-TASS note) and to draw up proposals on measures to settle the conflict, which would take the present situation into account.

Chernomyrdin Visits Farmers in Saratov Oblast

LD2707205193 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 27 Jul 93

[From the "Novosti" newscast]

[Text] It seems that we are now returning to the subject of the exchange of Russian bank notes. Prime Minister Viktor Chernomyrdin is on a visit to Saratov oblast. We have just received a report from there, but according to early information, he was asked questions about the painful subjects there, too. [video cuts to show correspondent Oleg Shommer speaking to camera]

[Shommer] As we know, everything can be seen from above. Nevertheless, there is sometimes a reason for descending from the heights of state closer to the land, which, like the people who work on it, has to pass the test of the harvest, the like of which there has not been in the Volga region for a long time. At the Zhdanovskiy state farm in Krasnokutskiy rayon, for example, whose fields were visited by Viktor Chernomyrdin, the harvest of winter crops has already been completed. Wheat alone has yielded over 30 quintals a hectare. But the equipment, unable to get through the day, lets one down, and spare parts are expensive and cannot be afforded—just like fuel, incidentally. And the machine operators' pay now is such that it scarcely reaches the minimum.

The problems are much the same with the shareholders who set up the Selskaya Nov association of peasant and private farmers, with whom the prime minister also met. True, each former collective farmer who has become a private farmer now has his own bank account and economic independence. In the long term, it will also depend on the price of grain. As is known, the government has now set it at a level from 60,000-80,000 rubles [R] a tonne index-linked.

Today 40,000 tonnes of bread grain have been dispatched to the procurement points at Krasnokutsk. What has come of this? [video cuts to show correspondent Shommer talking to Chernomyrdin among crowd of farmers]

[Begin recording] [Shommer] The state already owes Krasnokutskiy rayon alone R2.5 billion for grain from the new harvest. What can be done? After all, this money cannot be deposited like in a civilian bank account!

[Chernomyrdin] No, of course it can't, and there can't be any talk of deposits here. A week ago a decision was adopted on purchase prices, especially for grain, grain from the new harvest, and, of course, the main task now is that this money should come here.

[Shommer] As far as I know, the state plans to purchase 16 million tonnes of bread grain from abroad. Hard currency being spent again!

[Chernomyrdin] It was planned to purchase 16 or 18, then 16 [million]; at the moment eight million tonnes have been purchased. Everything will be looked at when the harvest campaign in our country gets under way. It may be that we will not be purchasing any more. [end rcording]

Later in the day Viktor Chernomyrdin had a bird's eye view of a new bridge being built over the Volga, visited the Korpus association, and an exhibition of items of the conversion industry and met with the oblast leadership.

Shakhray Speaks Against Sakhalin Republic

OW2807090493 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 24 Jul 93

[From the "Pacific Ocean" Program]

[Excerpts] The first question directed at Sergey Shakhray, the vice premier visiting Sakhalin, was whether he was expecting an announcement of a Far East or a Sakhalin Republic. The vice premier answered, "No, I am not. I think there is more common sense here than in some other regions.

Shakhray spent several hours on the island today and had no time for a news conference. Correspondents rushed him with their questions at every break and on the issue of freezing subsidies to northerners he said, "I am familiar with this problem. It appears in different forms in various regions. For instance, there was a lot of criticism in Murmansk over the law on northern subsidies adopted by the Supreme Soviet, because the whole social sphere there relies on enterprises." The reaction to the same issue on Sakhalin was calmer.

When asked what he thinks about the Far East and Transbaykal Association, the vice premier said, "I believe that this body will begin to work and there are already results, albeit not large. For me, as the minister responsible for regional policy, these associations are not simply forms to coordinate economic activity but are a prototype of future state organizations of Russia, because we cannot break the territorial administrative divisions artificially through edicts or even constitutions and then call them republics. This is either very dangerous, or very ridiculous." [passage omitted]

On the issue of how to equalize the rights of regions, Shakhray said: "In our country, the federation or autonomy form was always used as a means of deciding the ethnic issue. Republics were formed as a particular form to protect culture, language, and traditions of indigenous peoples or a group of indigenous peoples. Now the federation has become a form of decentralization of power and two contradictory tendencies appeared at once. On the one hand, we cannot fully abandon the national function; and on the other, we have to use federalism to take away the region's independence and responsibility. The biggest illusion is that, having isolated oneself one can live on ones own means." Shakhray says that neither Yakutiya or Sakhalin could survive independently and that, "to many, it may seem that the soviets' power disappears under the new constitution. If so, the adoption of the constitution must not be allowed. It seems that to proclaim oneself a republic at the session is the most certain way to ensure that there is no constitution. The fact is that this aim could be achieved, but at what price?"

The interview ends with Shakhray saying that in Sakhalin's adversity, he sees a stronger bond forging for Sakhalin to stay within the federation, even though deficiencies in transportation makes life difficult. He supports travel subsidies for people to be able to leave Sakhalin at least annually.

Tatarstan To Begin Construction of Oil Refinery

LD2807101993 Moscow Radio Rossii Network in Russian 0900 GMT 28 Jul 93

[Text] Tatarstan's Cabinet of Ministers has adopted a decision on the construction of its own oil refinery. By doing this, the republic intends to eradicate injustice: producing millions [of tonnes] of oil annually, Tatarstan imports the bulk of its fuel and lubricants, an ITAR-TASS correspondent has been told by Mansur Khasnulin, deputy prime minister of the republic.

The new industry will be built on the basis of the existing Nizhnekamskneftekhim [Nizhnekamsk Petrochemicals] Association. It will have two phases: the first phase is to bring on line facilities to process more than 7 million tonnes of oil extracted in Tatarstan per annum. In the second phase, capacity will reach 12 million tonnes of refined oil per annum.

Oil Prospecting in Tyumen Oblast Halted

LD2707214893

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1700 GMT on 27 July carries a two-minute video report by Yevgeniy Fateyev for the "Novosti" newscast.

While the video shows aerial footage of the oil extraction area on Tyumen Oblast, Fateyev says: "Almost one-third of the oil wells here are idle. Geological prospecting is being reduced virtually to zero. Since the beginning of the year, oil recovery in Russia—and this means here in the Tyumen north as well—has dropped by an additional 28.5 million tonnes. How could results be any different if the Tyumen oil workers are pumping oil and gas for their own pleasure, as it were, without payment. The Noyabrskneftegaz Association, which yields one-tenth of all Russia's oil, was owed 122 billion rubles [R] by consumers for raw materials already supplied. The Surgutgazprom Association, which supplies natural gas and gas condensate to almost the whole of the Urals, was not paid R24 billion".

The video then shows L.S. Dovzhikov, deputy general director of the Surgutgazprom Production Association. Dovzhikov says that, as professionals, they cannot make such a serious decision as cutting off gas supplies. He says: "We understand that without a gas supply the national economy will simply be unable to operate."

Kemerovo Leader Warns Against National Salvation Front

LD2807102493 Moscow Radio Rossii Network in Russian 0900 GMT 28 Jul 93

[Text] Delay in adopting the new constitution and halting the privatization process, which is what the most

recent actions of the Supreme Soviet have been aiming at, will lead to a dictatorship of nationalist patriotic forces in Russia. This opinion has been expressed by Vadim Ivanov, coordinator of Kemerovo Oblast organization of the Republican Party.

A so-called third force has emerged in the country in the form of the National Salvation Front [NSF], Vadim Ivanov said at a session of the party's consultative council and the Kuzbass movement. It is no secret that a portion of the population does support the NSF, which has already recommended that self-defense detachments be set up locally. To prevent this, democratic forces need to unite despite their differences and create a powerful election bloc, the chairman of the Republican Party said. At the same time, in his words, we have to seek the adoption of Russia's new constitution no later than this autumn. This news from ITAR-TASS.

International Affairs

Morozov, Aspin Sign Memorandum, Discuss Nuclear Arms

LD2807063293 Moscow ITAR-TASS in English 0558 GMT 28 Jul 93

[By ITAR-TASS correspondent Aleksandr Korolev]

[Text] Washington, July 28 (TASS)—Visiting Ukrainian Defence Minister Kostyantyn Morozov and U.S. Defence Secretary Les Aspin have signed a memorandum of mutual understanding. During the ceremony of signing, the Pentagon leader said that the document set a framework for wider cooperation, dialogue and contacts between the two defence ministries.

Les Aspin noted that this was the first agreement of the kind signed with a former Soviet republic and expressed the hope that it would help strengthen peace and stability in Europe.

Both ministers declined to respond to questions about the withdrawal of the nuclear weapons belonging to the former Soviet Union from Ukrainian territory but promised that they would discuss the problem during their talks.

After a three-hour meeting, the United States agreed to extend 175 million dollars to Ukraine to dismantle its nuclear arsenals, according to AP which cited a high-ranking Pentagon official as its source.

The decision was made after Washington was assured that Ukraine has already begun removing warheads from some strategic SS-19 missiles.

Officials Comment on Russian Ruble Recall

MK2807091093 Moscow NEZAVISIMAYA GAZETA in Russian 28 Jul 93 p 3

[Vladimir Skachko report: "Kiev Is Ready To Accept Rubles in Order To Repay its Debt to Russia With Them"]

[Excerpts] "The actions of the Russian national bank are Russia's internal affair, and they could be assessed as the start of a wide-scale monetary reform," said Viktor Pynzenyk, vice president in charge of economic reform questions; Volodymyr Stelmakh, acting chairman of the board of the National Bank of Ukraine; and Oleksandr Sharov, Stelmakh's first deputy, at a press conference in Kiev. [passage omitted]

About the economic union the heads of government of Russia, Belarus, and Ukraine had decided to create, Pynzenyk said that Russia's actions could not damage Ukraine's interests because there is a currency union between the three countries permitting each state to have its own currency. Dmytro Tabachnyk, Prime Minister Leonid Kuchma's press secretary, advised that Kuchma, currently in Crimea, had called Kiev and voiced anxiety over the actions of the Russian leadership who, in the premier's words, "are indifferent to the fate of their fellow citizens who had not been instructed as to what they should do with their rubles."

Deputy Foreign Minister Praises UN Decision on Sevastopol

LD2707132893 Kiev UNIAR in Ukrainian 1200 GMT 27 Jul 93

[Text] Kiev, 27 Jul—"The UN Security Council for the first time confirmed Ukraine's territorial integrity," said Ukraine's Deputy Foreign Minister Borys Tarasyuk at a Foreign Ministry briefing. He led Ukraine's special mission to the UN to clarify the republic's position to the international community following the Russian Supreme Soviet resolution on the status of Sevastopol. The deputy minister said that the Ukrainian delegation had 14 meetings with members of the UN Security Council in order to have the Security Council examine the issue raised by Ukraine. It was emphasized that this was far from a family quarrel or internal political games.

Borys Tarasyuk described the UN Security Council statement that the Russian Supreme Soviet resolution had no force as unprecedented. The value of this decision is in the fact that it was made with the consent of all permanent and non-permanent members of the Security Council including Russia, Ukraine's deputy foreign minister stressed.

Russian Delegation Blames Kiev for Tensions in Sevastopol

LD2707213993 Moscow Russian Television Network in Russian 1900 GMT 27 Jul 93

[By correspondent V. Budnikov from Sevastopol, including recording of comments by E. Pudovkin, chairman of the Russian Supreme Soviet Commission on Sevastopol; from the "Vesti" newscast]

[Text] [Budnikov] A Russian Supreme Soviet delegation has ended its visit to Sevastopol. As the deputies stated, they did not intend to engage in big politics. Their main task was to attend Navy Day celebrations and get first-hand information on the situation in the fleet and in Sevastopol. In their opinion, the situation is complicated. This is not because of the Supreme Soviet's decision on the status of Sevastopol, but because of the heavy-handed attempts by the Ukrainian side to increase its influence there.

Ninety percent of the fleet's officers do not wish to serve in the Ukrainian Navy. Their life is not easy. The Ukrainian authorities are robbing them by exchanging their pay, which comes from Russia in rubles, at half the official rate. Deputies believe that Ukrainian security services play a considerable part in increasing the general tension, and their activities in Sevastopol are openly provocative. In one instance, the deputies were not allowed to get off the ship in which they were living

because during that time there was a meeting in the square held by those in support of returning Sevastopol and Crimea to Russia. The delegation's stay in the city was also marred by an even more serious incident.

[Pudovkin] Groups of chauvinist militants of pro-Ukraine orientation constantly arrive in the city and terrorize its population. Here is a specific example: A member of our delegation, my deputy, was beaten up by them.

[Budnikov] It is evident that an attempt by any side to solve the problems of Sevastopol by military force could lead to tragic consequences. Therefore, Russia can defend its interests in this region only by skillful use of the whole spectrum of political and economic means.

Delegation Signs Cooperation Agreements in Mongolia

LD2807075793 Kiev UKRINFORM in Ukrainian 1655 GMT 26 Jul 93

[Text] [no dateline as received] In accordance with an agreement of the two sides, a Ukraine Government delegation, headed by Ukrainian Vice Premier V.I. Yevtukhov, was in Mongolia 20-23 July.

The delegation was received by Mongolian President P. Ochirbat and Prime Minister P. Jasray. Meetings took place between Yevtukhov and I. Purevdorj, and also C. Damiran, chairman of the Mongolian part of the Ukrainian-Mongolian mixed commission for trade and economic cooperation and Mongolian minister of construction and town planning, at which issues of the development of cooperation between Ukraine and Mongolia were discussed.

While the delegation was in Mongolia, ratification deeds of the treaty on friendly relations and cooperation between Ukraine and Mongolia were exchanged, and a series of documents on bilateral cooperation were also signed, including the following:

—an agreement between the Government of Ukraine and the Government of Mongolia on air communications

—protocols between the Government of Ukraine and the Government of Mongolia on mutual deliveries of goods and rendering of services for 1993 and 1994

—an agreement between the state export-import bank of Ukraine and the state bank of Mongolia

—an agreement on cooperation between the state committee of Ukraine for geology and utilization of minerals and the Ministry of Geology and Mineral Resources of Mongolia

—a protocol on cooperation in the sphere of scientific-technical and production activity between the Ukraine Ministry of Agriculture and Food and the Mongolian Ministry of Food and Agriculture.

The Ukrainian delegation visited industrial and agricultural facilities in the towns of Erdenet and Zuunkharaa. During the visits to these facilities an accord was reached between the Ukraine Ministry of Industry and the "Erdenet" concern on cooperation in the sphere of intensified processing of products, exchange of technologies, and setting up joint enterprises, the activity of which will be supported by the governments of the sides which have agreed to this.

The sides discussed the following issues:

—measures for increasing the efficiency of work of the intergovernmental commission for trade and economic cooperation

—the procedure for accounts between the state export-import bank of Ukraine and the state bank of Mongolia

—extending cooperation in the sphere of agriculture, in particular sugar production.

The sides agreed in accordance with a decision of the intergovernmental commission (the protocol of 5 May 1993) to instruct the appropriate departments to present to the governments of Ukraine and Mongolia by 1 October 1993 argumentation for the expediency of setting up joint Ukrainian-Mongolian enterprises for extracting and processing the ores of ferrous and nonferrous metals, and for the production of rolled metal, and also the production of building materials and other products.

The sides expressed satisfaction with the development of trade and economic and scientific-technical cooperation between the two countries, and agreed to intensify the matter of implementing accords reached during the meeting of the presidents of Ukraine and Mongolia in November 1992, and also the bilateral agreements signed by the sides.

Parliament Leader Meets Chinese Delegation

LD2807062593 Moscow ITAR-TASS in English 0605 GMT 28 Jul 93

[By UKRINFORM correspondent Alexey Trotsenko for TASS]

[Text] Kiev, July 28 (TASS)—Ukraine's Parliament leader Vasyl Durdynets met a delegation from the Chinese legislature led by the Chairman of the Foreign Affairs Committee of the National Assembly Yang Zhenya here on Tuesday to discuss interstate relations.

The Chinese parliamentarians will stay in Ukraine until August 1. They will hold a number of meetings in Kiev and tour the Kiev and Chernigov regions.

Cooperation With U.S., Turkish Entrepreneurs Viewed

AU2807091793 Kiev URYADOVYY KURYER in Ukrainian 24 Jul 93 p 6

[Statement by the Press Center of Ukraine's Ministry of External Economic Ties: "Joint Projects Are Being Discussed"]

[Text] A meeting took place between heads of main structural subdivisions and leading specialists of our state's external economic department and Ukraine's Trade and Industrial Chamber, on the one hand, and a mixed delegation of Turkish and U.S. entrepreneurs, on the other. Prospects of development of cooperation in the spheres of commerce, economy, science, and technology between the three countries were discussed during the negotiations. It was stressed by the Ukrainian side that, today, all grounds exist for such cooperation, including a legal and contractual basis.

"It is precisely for that reason that Turkish firms would like to be more extensively represented on the Ukrainian market," stated Mr. N. Gyoke [name as transliterated], chairman of the "Turkey-CIS" Cooperation Council.

He proposed that several joint projects be implemented, in particular, in the transport branch, in order to facilitate the establishment of bilateral ties. The sides also spoke in favor of overcoming individual obstacles that hamper the development of the cooperation.

National Affairs

Vice Premier Views Introduction of New Currency

AU2707170093 Kiev MOLOD UKRAYINY in Ukrainian 23 Jul 93 p 1

[Interview with Vice Premier Viktor Pynzenyk by Volodymyr Oliynyk in Kiev on 21 July: "Monetary Reform Is Worthless Unless It Is Accompanied by a Package of Reform Measures"]

[Text] **At the end of the day on 21 July Viktor Pynzenyk, vice premier for questions of economic reform, met with journalists in his office. He sharply criticized the Draft Agreement on Economic Union [with Russia]. Viktor Pynzenyk believes that such an agreement contradicts Ukrainian interests and will not spare the state from further price increases and will also promote the restoration of the former Union.**

When asked about his attitude toward the monetary reform in Ukraine and about when the Ukrainian currency will finally be introduced, the vice premier answered this:

[Pynzenyk] I want to say that, from the economic point of view, the introduction of the hryvnya does not change anything at all, just like the replacement of one piece of paper with another does not produce anything. Except, perhaps, psychological aspects for citizens and, maybe, also for politicians. It is possible that the hryvnya will be treated differently, because there is nothing behind it. Some people cherish illusions. They say, let us do everything we want with the coupons, because there is already the hryvnya after the coupon. However, there will already be nothing behind the hryvnya. Monetary reform is only worth something if it is accompanied by a package of reform measures. First of all, macroeconomic stabilization. Otherwise, it is simply criminal to replace one piece of paper with another and then repeat the same steps as with the coupon all over again.

I am in favor of immediately introducing the hryvnya, provided that a series of stringent stabilization measures are also implemented. Perhaps, this is what Prime Minister Leonid Kuchma meant when he told journalists that the hryvnya must be introduced in the near future.

Odessa's Bodelan Discusses Soviets, Oil Terminal

PM2707131993 Moscow PRAVDA in Russian 24 Jul 93 p 2

[Interview with Ruslan Borisovich Bodelan, chairman of Odessa Oblast Soviet, by correspondent Arkadiy Pasechnik, in Odessa; date not given: "This Intractable Oblast Soviet..."]

[Text] "If the supreme organs of power of Ukraine do not heed our opinion, we reserve the right to call out our voters to take part in a confidence referendum on the president and Supreme Soviet of Ukraine."

In view of the latest tumultuous events in the republic, one might suppose those words were said recently in, say, Donetsk. But no, the quotation is the concluding line of a statement issued by the Odessa Oblast Soviet back in early February.

That is the point at which my conversation with oblast soviet chairman Bodelan began.

[Pasechnik] On rereading the statement, Ruslan Borisovich, I cannot but notice how accurately it forecast the development of events...

[Bodelan] You would have to be blind not to see the pit we are digging for ourselves. The crumbling economy has really been torpedoed not only by the wholesale disruption of economic and other ties among the former republics but also by our own ill-considered monetary and financial policy. The people are being reduced to beggary as we watch. An exaggerated idea of statehood, which prevails over citizens' interests and rights, is creating new ideological stereotypes. Then there is the devious, duplicitous policy toward the CIS...

In analysing these and other alarming factors we have clearly seen the threat of inevitable social explosions (and not just social ones) and the threat of the country possibly losing its independence and of antidemocratic

forces emerging on the political stage. I would very much like us to cease to be the bearers of such percipient gloomy tidings.

Unfortunately, the anxious, warning voice of the deputies of the Odessa region has not been listened to. Despite the very severe time pressures, almost six months has been lost. I fear that the present authorities may not have enough time now. And it is not only our voice, incidentally, which has not been heeded. Our statement was openly discussed in neighboring oblasts, the Donbass, the Crimea, and a number of other regions, for example. But the authorities and the Supreme Soviet kept silent. On the other hand, a lot of attention was paid to the oblast soviet's firm position by the Kiev and local "democratic" press, which peppered us and soviets in general with accusations of "lack of patriotism," "longings for the empire," and so forth.

[Pasechnik] But was this not merely grounds to attempt to "neuter" the soviets yet again? They, after all, stick in the craw of today's democrats. And not just in Ukraine. Recently, over there, the president of Russia stated for all to hear that soviets and democracy are incompatible.

[Bodelan] That, I think, lies at the heart of it. These "democrats," you know, have needed an enemy since their very appearance in the political arena. And an authoritative, active enemy, at that. It is convenient to have a scapegoat when you have to explain why we have arrived in an impassable quagmire instead of the land of milk and honey of the bright new future. The damned past and the CPSU used to be blamed, now it is the soviets which are blamed for everything... But if, as President Leonid Kravchuk loves to proclaim and, as is enshrined in our founding documents, power in Ukraine belongs to the people, the system of soviets consequently needs to be developed and improved rather than attempts made to wrest from the soviets by every available means the control levers of the country, society, and the territories. And here I wholly sympathize with Prime Minister Kravchuk, who recently stated that it is time for us finally to decide where we stand and tell people what kind of society we are building. It is axiomatic that unclear objectives always generate uncertainty and chaos in affairs.

Incidentally, I sometimes think that this lack of clarity is purely external in nature. When you consider all the catastrophic events of recent years and the role played by the "democrats" in them, you simply have to conclude that some people are patently dissatisfied with the as-yet incomplete general collapse that is under way on one-sixth of the earth's land mass. It is the institution of the soviets—with their close links to the people and their independence along the whole vertical axis of management—which basically resists the utter triumph of this orgy of destruction. And that being so, it is open season for the soviets. Nowadays the powers-that-be need an entirely different institution—an obedient, nonargumentative one solely capable of being at its beck and call. That, in sum, is how I see the motivation for the "democrats'" fierce attack on the soviets. And it is obvious that this attack will intensify during the period of drafting and adopting the new constitution of Ukraine. The preparation and conduct of the Constitutional Conference in Russia bears that out.

[Pasechnik] Once again the Odessa Oblast Soviet has proven intractable on the question of constructing an oil terminal. There is much discussion about this now in Odessa. As there is about the setting up of a free economic zone...

[Bodelan] The oil terminal has already been written about by the Ukrainian and Russian press (including PRAVDA). What, then, is the crux of the problem? The very severe shortage of sources of energy and the well-known difficulties that exist in relations with Russia forced the leadership of Ukraine roughly two years ago now to start an intensive search for alternative ways of supplying the country with oil. At the start of this year the cabinet of ministers made the decision to construct an oil storage complex (terminal) with a capacity of up to 40 million tonnes per year. The first phase (12 million tonnes) is due to come on stream by the end of 1994. It is envisaged that the oil will be supplied basically from Iran, for which it is planned to create our own tanker fleet.

"The project of the century," as Odessa inhabitants quickly christened it, has generated a real storm in the city. Scientists, deputies, public organizations, and collectives have sounded the alarm. A specialy created public commission (on which prominent environmentalists sit) considers that this project will, figuratively speaking, be the last huge nail in the coffin of the virtually moribund Black Sea, where industrial pollution already exceeds all permissable norms many times over. The situation is made worse by the fact that Kiev clearly regards the question as settled. There was only one small thing lacking—the oblast soviet's formal go-ahead. But it did not prove to be a formality. Times have changed, and the question too.

The situation is, of course, difficult. As patriots, we understand perfectly well that the oil shortage could in the very near future tighten altogether the noose around the neck of the already semiparalyzed economy of Ukraine, particularly when certain shortsighted Moscow politicians keep exploiting oil as a lever of pressure. That's one side of the equation. While on the other? Will our children and granchildren understand us when we say that it was extremely necessary to fill up our gasoline tanks, and for that reason we turned the Black Sea once and for all into an enormous stinking pool?..

The question has been put before the oblast soviet twice now. We have drawn the government's attention to the fact that, as before, the terminal project fails to meet the requirements of many current environmental protection legislative acts of Ukraine in general and the Black Sea region in particular. We have proposed that the project

be reworked in respect of environmental safety and that it take account of the very alarming fact that the existing purification plants have long been on their last legs. Finally, a comprehensive, in-depth environmental audit of the project is essential. Once these and a number of other conditions are met, the oblast soviet will return to the question of the construction of the terminal.

A few words now about another problem which is also highly topical—the free economic zone—which has been exercising the minds of the people of Odessa for two and one-half years now, starting perhaps with the referendum on the free economic zone, which I personally considered completely redundant. Why ask rhetorical questions? Is anyone really against the free economic zone? All are plainly in favor! Especially when the mass media describe in a highly emotional and colored way the manna from heaven which will rain down upon the people of Odessa... There is, incidentally, far more emotion than action in this issue: Emotion regarding, for example, the fact that "Kiev is keeping us out of the free economic zone and the fears of certain powerful officials that the desire for the free economic zone conceals not so much economic as quite different interests—political, virtually separatist interests, and so forth.

However, any free economic zone requires above all large-scale preparatory work, work which, among other things, takes account of the fact that such a zone is as yet in no way congruent with our present economy and management structures, that major foreign investments cannot be quickly expected, and that most people are completely unable to imagine how it is to be set up, what specifically it will give them, and at what cost. That's why we proposed that we start by fine-tuning the concept on a smaller scale—in Ilichevsk and part of the neighboring region. It didn't come to anything. For a number of reasons the idea of the free economic zone began shifting toward Odessa itself, then just the central part of it, and so on. With all its many difficulties the whole package of initial documents on the free economic zone is nevertheless now ready, it is being examined in the government in order for it to be referred subsequently to the Supreme Soviet for ratification and the passing of corresponding laws. I would, of course, like Odessa to acquire in one way or another scope for considerable economic flexibility and free foreign trade and the ability on this basis to solve its own very acute problems and strengthen and develop the glorious traditions of our always open and international city.

Trade Union Federation Prepares Warning Stike

WS2707112893 Kiev UNIAN in Ukrainian 1956 GMT 26 Jul 93

[Text] Kiev—After examining on 22 July the demands put forth by the Ukrainian Federation of Trade Unions [FPU], Ukrainian President Kravchuk tasked Yukhym Zvyahilskyy, first deputy prime minister, with working out decisions in conjunction with the trade unions on the introduction of changes and additions to wage-regulating normative acts. By this move, the president declined to settle the conflict between the FPU and the Cabinet of Ministers personally. Therefore, based on the decision of its Presidium on 2 July, the FPU called its local organizations to discuss the present situation. In the event these organizations decide in favor of a one-day warning strike, the FPU sees fit to schedule it for 17 August, 1993.

Official Gives Predictions on State Grain Procurement

WS2807095693 Kiev UNIAN in Ukrainian 1459 GMT 27 Jul 93

[Text] Kiev—Vasyl Yaroshavets, head of the State Inspection for Procurement and Quality of Production, told a UNIAN correspondent that the gross grain harvest in Ukraine is expected to amount to 39.7 million tonnes. The state procurement, in his opinion, will amount to 12.5 million tonnes this year. He also believes that the planned procurements will not meet the demands of the Ukrainian population, stock-raising and poultry-raising complexes, deliveries on international agreements, and the State reserve.

Naval Ships Deprived of Technical Assistance

WS2807095493 Kiev UNIAN in Ukrainian 1459 GMT 27 Jul 93

[Text] Sevastopol—According to the Ukrainian Navy headquarters' general mechanic group, the Ukrainian Navy flagship "Hetman Sahaydachnyy", which has arrived in Sevastopol, is not able to receive electricity from onshore sources. This forces the ship to continually refill its diesel engines tanks. Every 24 hours "Hetman Sahaydachnyy" uses up to three tonnes of diesel fuel, the price of which is systematically rising and exceeds 1 million karbovanets per tonne. Soon, the problem of repairing or even replacing some important units of the vessel may come up. Such a situation has arisen because the Black Sea Fleet headquarters designated an improperly equipped harbor for the Ukrainian ships. Not only "Hetman Sahaydachnyy", but also other Ukrainian vessels are forced to independently supply themselves with electric energy. The money for the electricity used by the Black Sea Fleet is paid by Ukraine, but Ukrainian ships can not use it.

Prospects for Economic Stabilization Viewed

AU2707142993 Kiev UKRAYINSKA HAZETA in Ukrainian 22 Jul-4 Aug 93 p 3

[Article by Professor Volodymyr Chernyak, doctor of economic sciences, department head of the Ukrainian Academy of Sciences Economics Institute: "The Situation Must Stabilize by This Coming Autumn"]

[Text] For reforming the economy, the two preceding years in Ukraine have, as a matter of fact, been wasted.

The absence of reforms or their incorrect and incompetent implementation have further intensified the economic crisis. It would be my ardent desire to see the situation stabilize by this coming autumn, but, unfortunately, there are no grounds for any optimistic prediction. This is also attested to by the basic statistical data for the first quarter of the current year. For example, Ukraine's national income has decreased by 11 percent, and industrial production has fallen by 5.2 percent. In comparison, prices based upon the reports of entrepreneurs have gone up by 15 percent. If we take products in their natural expression, I trust the latter index more.

In terms of consumer prices, the manufacture of consumer goods has decreased by 8.4 percent (and there is evidence that this figure should be 10 percent). The production of foodstuffs has decreased by 15.2 percent. It appears that the slump is not structural (something that is natural in our conditions), but general in character. Moreover, a most serious recession is affecting those sectors that are consumer-oriented. It must be added that the crisis is taking place against the background of the decrease in investment activity, when the norm of production accumulation is around zero and when there is no foundation for renewing the capital base (it has depreciated, on average, by 50 percent, and in some sectors by 60 or even 70 percent).

Prospects for renewing production are totally absent. In short, everybody thinks about survival and consumption and nobody cares about innovation or investment.

I will not lay it on thick, but the fact is quite depressing: The recession in production is progressing, the economic crisis is intensifying, and the situation is deteriorating. It will further deteriorate. I assert this last point because the government's present actions are not at all leading to changes for the better.

I will try to analyze the pluses and minuses of what has been done in the process of building an independent Ukraine.

Correct measures that the government should undertake may lie in the creation of attributes of statehood (our own monetary system, as well as banking, finance, price and budget systems, and our own customs regulations). However, all of this is being implemented very slowly, lazily, and inconsistently. The government is doing right when it strives to protect the financial system from destruction, tries to pursue a stringent financial policy (at present, it is justified), and also to wage war against corruption and the mafia....

However, the government is late in implementing reforms with regard to ownership. Without this, there can be no transition to market relations. Today, it is necessary urgently to create a powerful private sector and create conditions under which small and medium-sized enterprises could emerge giving rise to owners and producers. Land reform must, undoubtedly, be included here. Unfortunately, this reform is being successfully hampered in the provinces. The government and the president do not react to this sabotage at all. If some privatization processes are under way, they are, as a rule, nominal and distorted and do not provide any incentive for production.

Nor is there a decree or an edict that would contribute to building the production system. The government is trying to maneuver at the level of prices, wages, and coupons, but this does not produce positive results. Hence the urgent need to create a certain mechanism for giving a stimulus for labor and investment on the basis of reforming ownership relations.

We can, therefore, see that the government is not building a market mechanism, but is trying to revive the old administrative command system. Incidentally, I am not opposed to the state regulating the economy—it is necessary and is extensively used throughout the world. The problem lies elsewhere. How to combine state regulation and market mechanisms in the optimal way? This is precisely the key to implementing genuine economic reforms. It is, apparently, necessary to raise the question of creating the mechanism for state regulation of the economy in conformity with the new conditions. This will be more correct and precise.

Today, the government is doing what is advantageous for itself without considering the needs of others. Under the motto of putting everything in order, it is trying to control the resolution of literally all urgent problems. It is necessary, first of all, to implement reforms—then there will be order.

It is odd. Instead of creating favorable conditions for the development of entrepreneurship, the government is promoting the renewal of branch ministries, which are things of the past. In my opinion, it is necessary to shift the accent from the macroeconomy to the microeconomy, that is to say, to give skillful and sensible people in the provinces a chance to resolve their own personal problems. A market, like any building, grows from the bottom and not from the top. Therefore, one should talk here of decentralization and regionalization.

I have briefly outlined the complex main problems whose resolution may improve the situation. Is the present government capable of giving our people confidence, peace of mind, and well-being?

Objectively speaking, it is very difficult to do this quickly. Besides, the government satisfies the interests of certain people, certain political forces, and even, one can say, certain political classes. It is clear that a struggle for leadership among all of them is in progress. The government is constantly under pressure. Finally, its very composition is too heterogeneous, and it is not a team of like-minded people, which means that it is unable to pursue a decisive and consistent policy.

It is an even worse problem that, so far, neither the government nor the Ukrainian president have elaborated a specific and realistic policy. The Supreme Council has only approved a plan for actions for the

current year. It is, in fact, a declaration of intentions that are not always coordinated and are contradictory. At the same time, there is, unfortunately, no economic strategy or profound program for the future, a program that would be divided into stages and would have elements of interaction.

The government is pointing to Russia. This neighbor, it says, is steadily raising the prices of energy resources that Ukraine does not, in fact, have. Our state cannot satisfy 90 percent of its oil needs and 80 percent of its gas needs. However, what is the government doing to reduce Ukraine's economic dependence mainly upon Russia? Nothing. On the contrary, it falls further into the trap arranged by our neighbor. Suddenly to reject Russia would be fatal for us. There can be no talk of isolation. However, we must vigorously implement a policy of energy conservation and also develop our own resources. If there is no capital, it is possible to offer concessions, but the Supreme Council is successfully blocking the resolution of this question. It is our tragedy. It has long become clear that Ukraine needs to build a tanker fleet and terminals for storing oil. However, there is the impression that this problem is being deliberately exacerbated. The government, the president, and the speaker quietly ignore "those Odessa tricks" [the building of an oil terminal near Odessa]. It is necessary to develop, at a high level, specific measures that would neutralize everything that is "alien" to us. While pursuing an independent policy, we must not count upon any compromise on the part of our eastern neighbor. Consequently, instead of trying to justify our actions, we must see to it that power structures shape the situation and not compile a plan for actions to fit a situation that Russia is arranging for us. Also, it is essential to have a policy for the future, a policy that the people would know and understand....

Well, how should Ukraine emerge from the abyss? In my opinion, there exist several main ways.

First, it is absolutely necessary to speed up the privatization processes and give an impetus to the reform of state ownership. Second, to overcome the catastrophic state of the national monetary unit. It is not so much a matter of introducing our own currency as of implementing monetary reform and forming our own monetary system. Third, to pursue an active and efficient anti-inflationary policy. Here, it is necessary to take into account the causes rather than the symptoms of the malady (the problem of issuing money which is influenced by external factors—energy resources, the issuing of credits, subsidies, and income indexation). However paradoxical it may sound, it is a fact: The government, proceeding from its own decrees, is trying to constrain inflation with one hand, and with the other, it is promoting it.... Fourth, support for entrepreneurship. It is true, though, that a corresponding program already exists on paper, and just 2.5 billion karbovantsi has been allocated for its implementation. In view of the fact that, today, it is not profitable in our country to engage in production entrepreneurship (like privatization, it is also distorted), it is necessary to create an entire system of support that would include support funds, guarantors of design and financing, consultative firms, and so on. Fifth, a new innovation, investment, and structural policy; to grant economic freedom to the provinces, with corresponding rules of the game.

Undoubtedly, the above urgent and crucial measures, which need to be implemented as a single package for the purpose of stabilizing the economy and laying a foundation for a better future, do not conclude the program for actions. It may be considerably expanded.

In the next issue, I would like to discuss, in more detail, the introduction of the national currency, the state of business in Ukraine, the bankruptcy of enterprises, and the supercorruption that has emerged from official policy with regard to the personnel in the upper echelons of power.

New Gas Field Found in Poltava

AU2707170493 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 22 Jul 93 p 5

[Report by the DEMOKRATYCHNA UKRAYINA News Service published under the rubric "One Paragraph": "A Torch Over Kovanchyk"]

[Text] One of Ukraine's most productive gas wells was drilled in the vicinity of Kovanchyk village in Poltava Rayon. The gas torch over the 5,800-meters deep well was ignited by explorers of the earth's interior from the "Poltavanaftohazheolohiya" [Poltava Oil and Gas Geological] Association. According to tentative estimates, the source will produce 1.5 million cubic meters of high-quality blue fuel a day. Its reserves are estimated at 4 billion cubic meters. It is now time to rig this and other wells that emerge in the course of the development of the new gas deposit with exploitation equipment from abroad. Considerable sums of money in hard currency are needed for purchasing it. The Derzhkomnaftohaz [State Committee for Oil and Gas] must come forward now, because without its help the new field cannot be connected to the existing gas storage and distribution system.

Crimean Tatar Congress Views Repatriation, Alphabet

LD2707223593 Moscow Ostankino Television First Channel Network in Russian 2019 GMT 27 Jul 93

[By correspondent Vladimir Plotnikov from Simferopol; from the "Novosti" newscast]

[Text] [Plotnikov] A kurultay—national congress of the Crimean Tatar people—opened in Simferopol today. It is being attended by delegates from the former USSR republics as well as from Turkey, the United States,

Germany, and other countries. Ukraine's and Crimea's official authorities are not accredited at the kurultay; nevertheless, its agenda includes a report by a representative of the Crimean Council of Ministers on the problems the Crimean Tatars encounter when returning and settling down. Incidentally, this issue will be discussed by delegates. The congress will also discuss reports on the activity of the Majles—the parliament—of the Crimean Tatar people, the sociopolitical situation in Crimea and Ukraine, and information on the activity of the Crimea fund which accumulates revenues from production, financial, and charity activities and channels them toward developing local industry and crafts, national culture, and art.

Although Crimea's and Ukraine's official authorities do not recognize the kurultay and majles, the Supreme Soviet of Crimea has already stated its readiness to meet the Majles leadership.

[Announcer] Incidentally, the kurultay is likely to take a decision on going over to the Roman alphabet. But the problems of repatriation of those who was exiled and now wish to return occupy the central place. According to the UNIAN agency reporting from Simferopol, speaking at the kurultay, Chubarov, deputy chairman of the Majles, accused Ukraine of using double standards with regard to the Crimean Tatar people.

Political, Public Organizations Form Committee

AU2807080893 Kiev NARODNA HAZETA in Ukrainian No. 28 (109), Jul 93

[Report by NARODNA HAZETA unidentified correspondent: "A Useful Initiative"]

[Text] A conference of political and public organizations that advocate the building of an independent state was held in the Minskyy District of the Ukrainian capital. Representatives of Ukraine's People's Rukh [Movement for Perestroyka], Ukrainian Republican Party [URP], Ukrainian Conservative Republican Party [UKRP], "Prosvita," Cossackdom, the Democratic Party of Ukraine [DemPU], and Ukraine's Democratic Union [DSU] have created a coordination committee, "Obolon" [after the name of a Kiev district]. A Rukh member was elected its chairman and members of URP and UKRP—deputy chairmen.

The participants in the conference spoke in favor of disbanding the Supreme Council and voiced confidence in the president (except for UKRP and DSU).

Commodities Exchanges Join Minsk Telecommunications Center

LD2707194893 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 27 Jul 93

[Text] The Dnepr and the Lvov commodities exchanges have joined a single telecommunications center, set up by 70 leading exchanges of CIS and Baltic countries. The center is located in Minsk. Thanks to the center, the brokers of CIS states will be able to exchange commercial information efficiently.

Belarus

Shushkevich Interviewed on Ties With Russia, Neutrality

LD2707182893 Moscow Ostankino Television First Channel Network in Russian 1420 GMT 27 Jul 93

[Interview with Supreme Soviet Chairman Stanislav Shushkevich by journalist Lyudmila Sidorovich, on the occasion of the third anniversary of the republic's declaration of independence; place and date not given—live or recorded]

[Excerpt] [Sidorovich] [passage omitted] Many people in Belarus believe that without Russia we will go under, and that our leaders, our politicians, are flirting with Russia, counting on some kind of advantageous economic terms. We also know about the negative attitude of certain deputies to the signing of the triple economic union in July—Russia, Ukraine, and Belarus. We also know the standpoint of the Central Asian region. Tell me, how will our relations develop overall with our neighbors?

[Shushkevich] You know, for three years in a row, in every speech, in every interview, I have been stating—why can't they get used to this idea that there cannot be—I don't know of any anti-Russian forces in Belarus. I don't know of any. I know a few upstarts who, by virtue of some arrogance, keep to a very narrow circle of people, do not come into contact with anyone else, and do not circulate among the masses. It sometimes even occurs with intellectuals, a very narrow circle of so-called elite, a very peculiar kind of intelligentsia, a very narrow circle. They could raise the question of a bad attitude toward Russia, that we have some difficulties because of Russia. But the sensible Belarusians, and I can assure you that this is the majority, do not raise this question. By inertia, we have inherited the deepest economic ties with Russia, and we must just transfer them to a sensible market basis.

Well, what is happening here? Where is the difficulty? Russia is transferring these ties to a market basis more quickly than we are, that's a fact. If we want to preserve these ties, expand them, and make them mutually advantageous in the normal sense of the word rather than the declarative, then we have to switch with the same speed as Russia is doing. If we fall behind, we will lose out—we are not necessary to Russia as an appendage, like a tail that does not make the same movements as the large state. If we get too far ahead, then, too, things will be bad, because we can't carry Russia behind us. Thus, in terms of market reforms we ought to proceed in step with Russia, and then we will have a normal healthy foundation for preserving worthy economic cooperation. Knowing the great moral force of Russia and the Russian people, I can say, of course, Belarus is 4-5 percent of the economic potential of Russia, this potential is great, and so even if we wanted to do harm to Russia, Russia would not notice. We are conscious of this, and we have no such wish.

And now on the economic union. It is much more difficult to work painstakingly and seriously on implementing decisions that have already been taken than to declare new initiatives; it is easier to make new statements than implement old agreements. At first these initiatives were concentrated in the Central Asian region, we were constantly witnessing more and more new initiatives. Finally, one of these initiatives was implemented, and I think that to a large extent this was fostered by Almaty. That was the control and coordination committee, this was in effect an economic managing body, to a certain extent, and it was decided how we would develop these laws, so that there should be a legal foundation for a serious, major economic union. Whoever wanted could enter it, but there had to be a legal foundation. Such tasks were set by the heads of state.

The heads of government cast doubt on the May decisions and the January statement by the heads of state. If they can do this better, and show they can do it more quickly, that's very good. But if things turn out badly, it will be a great shame that they divert energy from implementing those decisions that had been reached earlier.

[Sidorovich] About another union. It is well known that your latest disagreements with parliament, or say, with some of the deputies, concerned the problem of a military alliance with Russia, or more precisely, the republic's neutrality, to which you adhere. I think that citizens of other states would be interested in hearing your ideas on this.

[Shushkevich] You know, you remind me of our deputies. There, too, they confuse neutrality, military alliance, and collective defense. Yes, indeed, I am a supporter of neutrality for the Republic of Belarus, but I am obliged to be a supporter of neutrality because our constitutional law states that we aspire to neutrality. By inertia, which I have already spoken of, having inherited from the USSR a whole series of links, Russian troops are on our territory, friendly troops, and so on, whether we like it or not, we are in the closest union with Russia, including military union. We have bilateral treaties with Russia, and I have never opposed nor do I oppose these existing treaties.

If we want to be consistent, we have to carry out our constitutional law. I was an ardent supporter of adopting this law, although quite honestly I had little hope that it would be passed. But it was passed. So we have to aspire to neutrality, and so I think that a step like a new military alliance is not an aspiration to neutrality, it's a step backwards from neutrality. I am trying to prove and reaffirm this by all accessible means. I am trying to prove this with facts, with examples, with comparisons, with an analysis of past historical events. It is mainly emotions that are advanced as counter-arguments, and in general, I think, mostly dissatisfaction with my approach and with me personally.

Well, you know what form this took, but for the moment this has not led to the kind of results that would make me change my point of view. I am not changing it. I was obliged to sign the collective security treaty, parliament obliged me, and I signed. I was required to make provisos, and I made them. I think that if we sign a treaty, then we have to set the terms when we leave the treaty, it should be finite. I link it with implementation of those international agreements which we are obliged to carry out. By the way, these same agreements were approved and ratified by Russia, so we, too, ratified them. That is, we are consistently proceeding toward nuclear-free status, toward neutrality, and we reaffirm this. But as far as Russia is concerned—good relations, only good relations. I think our neutrality is advantageous to Russia, just as it is to us. [passage omitted]

Edict Appoints Martynav Ambassador to U.S.

WS2707065293 Minsk NARODNAYA GAZETA in Belarusian 22 Jul 93 p 1

[Edict of the Supreme Soviet Presidium "On Appointment of S. M. Martynav to the Post of Ambassador Extraordinary and Plenipotentiary of Belarus to the United States and Conferring the Diplomatic Status of Ambassador Extraordinary and Plenipotentiary Upon Him"; issued on 7 July 1993 in Minsk]

[Text] The Presidium of the Belarusian Supreme Soviet **decrees:**

1. To appoint Syarhey Mikalaevich Martynav to the post of ambassador extraordinary and plenipotentiary of Belarus to the United States.

2. To confer the diplomatic status of the Ambassador Extraordinary and Plenipotentiary upon him.

[Signed] S. Shushkevich, Supreme Soviet chairman of the Republic of Belarus
[Dated] Minsk, 7 July 1993
No 2470-XII

Republic Bank Outlines Rules for Currency Exchange

LD2607194093 Minsk Radio Minsk Network in Belarusian 1715 GMT 26 Jul 93

[Text] The following information has come from the Savings Bank of the Republic of Belarus. It explains the rules of exchange operations for state banknotes of the USSR, notes of the State Bank of the USSR, and banknotes of the Bank of Russia issued from 1961 to 1992. From 26 July to 7 August 1993 inclusive the specified notes will be freely exchanged for Belarussian citizens and persons with equivalent status—those who have residential registration or residential permits—up to the sum of 50,000 rubles [R]. The sum of banknotes exceeding that figure is paid into a deposit account for a period of six months with 60 percent interest a year. Accounts exceeding R250,000 will be opened only on presentation of a declaration of source of obtaining the named sums.

Regardless of the sum of banknotes, the exchange is carried out only once and a note about the exchange is entered in the passport, or the military card or identity card of a serviceman. The deposit can be fully withdrawn with the due interest only after six months.

There is another important point: From 27 July, all branches of the Savings Bank of the Republic of Belarus will exchange the payment notes of the National Bank of the Republic of Belarus for Russian money. For those who go on business trips, the exchange will be carried out within the limits of subsistence norms, and for the republic's citizens who go on holidays it will be a sum equal to the average wage, but not exceeding R50,000. Branches of the Savings Bank will carry out this exchange commission-free.

Kazakhstan Negotiates Aid in Grain Harvesting, Deliveries

WS2607074293 Minsk RESPUBLIKA in Russian 21 Jul 93 p 1

[Unattributed report: "Negotiations Will Not Be Easy"]

[Text] A delegation from Kustanay Oblast in Kazakhstan has arrived to Minsk. It is lead by Kenzhebek Ukin, chief of the regional administration.

The aim of the visit is to sign an agreement on aid to Kazakhstan in harvesting grain. The yield is likely to be rich this year. The Belarusian side will come out with an alternative proposal concerning the guarantees in supplying it with the lacking grain. According to the experts' predictions, the negotiations are expected to be difficult, because Kazakhstan has not yet fulfilled all of last year's obligations to deliver fodder and food grain to the Republic of Belarus.

Kenzhebek Ukin and the accompanying delegation were received by Vyacheslav Kebich, chairman of the Belarusian Council of Ministers.

Moldova

Sangheli Views Trade With Ukraine, Russia

LD2707190393 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 27 Jul 93

[Text] We have recently achieved full mutual understanding with the Ukrainian Government. Moldova Prime Minister Andrei Sangheli said this in an interview for the "HOLOS UKRAYINY" newspaper today. He said that more than 22 percent of the goods turnover in the republic goes to Ukraine. According to the prime minister, Moldova's main market is in Ukraine and Russia, and as before these states remain its main partners.

Snegur, Romanian Envoy Discuss Bilateral Relations

AU2707195493 Bucharest ROMPRES in English 1702 GMT 27 Jul 93

[Text] Chisinau, ROMPRES, 27/7/1993—President Mircea Snegur of the Republic of Moldova received Tuesday, 27 July, Romania's ambassador to Chisinau, Marian Enache, MOLDOVA PRESS writes.

The head of the Moldovan state had a constructive dialogue with the Romanian ambassador on the relations between the two states at all levels, and analyzed the means to deepen and integrate the process of transition to a market economy. They also examined the latest developments in the world arena, the Moldovan Presidency Press Bureau informs.

Economy Minister, Premier View Economy

AU2807102693 Chisinau BASAPRESS in English 2015 GMT 28 Jul 93

[Text] Chisinau, BASAPRESS 27/7/1993— Moldova has passed the peak of the crises and is now at the beginning of the stabilization of economy, stated Economy Minister Sergiu Certan at today's Government session. He stressed that Moldova is going through hard times, but it is definitely not a catastrophe. Certan denied the rumours that the economic reforms have been halted. According to him, the reform "runs following the Government's programme of activity. The last months' totals of economic activity prove that the decline has ended and the recovery has begun. The third quarter will show macroeconomic indexes exceeding those of 1992." On the other hand, the first Deputy Prime Minister Nicolae Andronati said that the economy's state is grave, the decline is deepening and that there are no reasons to be optimistic. The produced national income has decreased in the first half of 1993 by 20 percent in comparison with the same period of 1992. In agriculture, this index is 36 percent. The report has been approved and will be presented to the Parliament.

Opposition Launches Anti-Government Campaign

LD2807095393 Moscow ITAR-TASS in English 0849 GMT 28 Jul 93

[By ITAR-TASS correspondent Fedor Angeliy]

[Text] Chisinau July 28 TASS—In the run-up to a session of the Moldovan Parliament, to open on August 3, an antigovernment campaign was launched by the Moldovan Popular Front declaring for Moldova's joining to Romania. The campaign is directed against President Mircea Snegur and Prime Minister Andrei Sangheli who suggested that deputies ratify the Minsk agreements.

A statement issued by the Popular Front says the ratification of documents of the Commonwealth of Independent States (CIS) on Moldova's joining to the CIS is tantamount to betrayal of the Motherland and waiving independents. "Antinational forces bent on bringing the republic back to the empire have intensified their efforts in Moldova, the statement says.

The Council of the Popular Front declares that the responsibility for the consequences of the ratification and bringing Moldova back to what was a prison of peoples will be borne by the present Moldovan leadership personified by Mircea Snegur and by every deputy who votes for the ratification of this document dashing Moldova's freedom and independence, the statement says.

Parliament To Examine Russia's Ruble Withdrawal

AU2807102793 Chisinau BASAPRESS in English 2015 GMT 27 Jul 93

[Text] Chisinau, BASAPRESS 27/7/1993—Only several days before the extraordinary parliament's session, its aims became not clear. The removal of Soviet roubles by the Russian Central Bank can provoke overturns for positions and opinions. At the same time, the Russian "monetary reform" shows out the bad economic policy of Chisinau, which relies much on the rouble zone. Andrei Cheptine, minister of foreign economic relations, stated at the recent governmental session that Moldova "imports the economic and political instability from the rouble zone. The ties with former partners are broken, and the soaring energy prices have bad effects." Nevertheless, Sangheli's cabinet and his adherents from the majority agrarian group in Parliament plead to recover economic links with CIS countries. Snegur asked the parliament to ratify the economic points of the agreement upon CIS. However, the effect of these measures is zero faced to the evolution of events. The decision of Russia's Central Bank has alerted the so-called rouble zone states. It has also proved the ability of Russian economic policy. Leonid Talmaci, National Bank governor, stated "the removal of roubles emitted in 1961-1992 was made without acknowledging the CIS countries, though Russia had to do so according to Inter-Governmental agreements." Local observers believe this decision is a mine with delayed explosion, both for the creation of a unique economic community and for the new states, oriented exclusively towards Moscow. The reality showed them the double-faced Eastern partners.

One can have the impression that the option to stay in the rouble zone is in fact hiding the incapacity to promote an own economic policy. According to some experts, the "monetary reform" Moscow proceeded to will speed up the introduction of national currency. On the other hand, the National Bank governor stated the introduction of the Moldovan Leu depends on economic relations with the Dniester zone. Tiraspol leaders remarked that Russian bills, removed from circulation everywhere, will still be valid in Dniester.

Peacekeeping Forces: Unified Control Committee 'Inefficient'

AU2807102993 Chisinau BASAPRESS in English 2015 GMT 27 Jul 93

[Text] Chisinau, BASAPRESS 27/7/1993—Though the situation in the region has eased, the Unified Control Committee [UCC] is inefficient, states a letter of the mixed peacekeeping forces command. The UCC decisions are executed haphazardly, without control over them, and those responsible are not blamed. It does nothing for peace and trust between the sides. Frequently, soldiers violate the public order. People try to use force and this could restart the conflict. Some UCC Members blame the Unified Military Commandment and commanders of garrisons for the bad situation. The letter says the UCC should understand its responsibility for peace and security. It has to stop the supply of guns, the creation of new armed forces and the fortification of those existing. Moldovan and Ukrainian peacekeeping forces should not obey defence ministries, the letter asserts. It proposes to subordinate them solely to the Unified Military Commandment of peacekeeping forces. These proposals will be examined at the next UCC session, the quoted source states.

Kazakhstan

Government, Bank Wish To Stay in Ruble Zone

LD2707150893 Almaty KAZTAG in Russian 1300 GMT 27 Jul 93

[Excerpts] [no dateline as received]—Declaration of the government and the National Bank of the Republic of Kazakhstan: [passage omitted] The government and the National Bank of the Republic of Kazakhstan have confirmed their wish to stay in the ruble zone. This provision has been reflected in an agreement of the governments and the central banks of our countries on mutual commitments and claims of 15 May 1993, connected with the use of the ruble as a means of payment. The Supreme Kenges of the Republic was one of the first member countries of the CIS, part of the ruble zone, to ratify an agreement and charter of the interstate bank, which was supposed to settle payments between the enterprises of the countries on the basis of the ruble, printed by the Central Bank of the Russian Federation.

At present, an agreement has been concluded at the government level between Kazakhstan and the Russian Federation on introducing in the nearest future the 1993 monetary symbols throughout the territory of Kazakhstan. The population will be given an opportunity to promptly exchange money under the same conditions as in Russia, and this will make it possible to maintain the normal cash turnover and continuity in the non-cash mutual accounts between enterprises.

Along with this, the relevant bodies were instructed to take steps in defending the economic interests of Kazakhstan and its citizens from the non-sanctioned inflow of cash which has been withdrawn from circulation.

[Signed] The Cabinet of Ministers and the National Bank of the Republic of Kazakhstan

IMF Grants $86 Million for Economic Reforms

LD2707203093 Moscow ITAR-TASS in English 1927 GMT 27 Jul 93

[By ITAR-TASS correspondent Vladimir Matyash]

[Text] Washington July 27 TASS—The International Monetary Fund (IMF) has granted about 86 million U.S. dollars in financial assistance to Kazakhstan to help it carry out economic reforms.

The IMF assistance programme has been designed to help the republics of the former Soviet Union and East European countries to replace the command and administrative system of management with a market economy. The IMF press release said that Kazakhstan has achieved impressive results in transforming its economy due to the reduction of the budget deficit, improvement of tax system, cuts in budget spending and elimination of state subsidies to loss-making enterprises, as well as liberalisation of prices and creation of a legal basis for adoption of political and economic decisions.

Under its reform programme Kazakhstan has set the goal of curbing production decline and inflation in the republic in 1993, speeding up structural reform and augmenting hard currency reserves. To achieve this goal, Kazakhstan plans to introduce a new tax system which will help reduce the budget deficit to six per cent of the gross domestic product by the end of the year, substantially cut state subsidies and carry out a large-scale privatisation programme.

Independent TV Station Broadcasting in South

LD2607192993 Almaty KAZTAG in Russian 1400 GMT 26 Jul 93

[Summary] Shymkent, 26 Jul—Alpha TV, the first independent South Kazakhstan TV station, has its transmitter on the roof of the Institute of Culture, the highest point in Shymkent. It broadcasts for 15 hours a day showing mainly U.S. movies and cartoons. Its main competitor is The Fifth Channel, which rents part of the Russian TV time in the evening, and cannot boast of professional broadcasting as well. Many people in the city, especially the older generation, are against these channels because their films advertise cruelty, violence, and pornography.

Kyrgyzstan

Republic's Currency 'Softened' Withdrawal of Russian Notes

LD2707122193

[Editorial Report] Moscow Mayak Radio Network in Russian at 0320 GMT on 27 July carries a report from Kyrgyzstan by its Bishkek correspondent, Aleksandr Myrtov, on how people in the republic have been affected by the Russian Central Bank decision to withdraw old bank notes from circulation. Myrtov explained that the introduction of the republic's own currency, the som, had softened the effect of the "Russian government's financial blow," although people in the republic had retained Soviet bank notes. He said: "Moreover, up to the last possible moment, the republic's savings banks were handing over 1992 bank notes worth 5,000 rubles in exchange for soms. According to figures in some republican newspapers, more than 20 billion rubles worth of these notes alone were in circulation, and it is unlikely that anyone can say how many worthless rubles printed even earlier than this have lost their value as a result of this move."

He went on to say that those worst affected were people planning to emigrate to Russia or other regions within the ruble zone. He also said that "the black market currency exchange reacted to this situation immediately. One som by the end of 25 July was sold for 1,000 rubles, while one U.S. dollar leaped to 1,600 rubles."

The reporter concluded by saying: "Of course, the Russian Government decision to withdraw from circulation Soviet money printed between 1961-1992 has shaken the som to a

certain extent but neither the Kyrgyzstan National Bank nor the republic's Ministry of Economics and Finance have made any official statements yet on this matter. This has merely confirmed the words of Askar Akayev, which he uttered back in May when the national currency was introduced, that in two months time it will be too late to introduce our national currency."

Japanese Advisor Designs Economic Restructuring Program

LD2707120993 Bishkek Kyrgyz Radio First Program Network in Russian 2300 GMT 26 Jul 93

[Text] Tatsuo Kaneda, an advisor to the president of Kyrgyzstan and professor of the economy at the Japanese Institute for International Relations, has designed an extensive program for restructuring the economy of the republic. This time experts in electronics and light industry have arrived with him. In the next 10 days, they intend to visit factories and industry of the republic. A recommendation given by the Japanese economist can be of help, especially at a time of deepening crisis in the Republic.

Over the last six months, industrial production has fallen by a factor of three. Around 100 industrial works are standing idle or are on the brink of stopping. More than 70,000 workers have been forced to take leave.

It is anticipated that the Japanese professor will hold a news conference for journalists today.

Praises Direction of Reforms

LD2807094893 Moscow ITAR-TASS in English 0857 GMT 28 Jul 93

[By KYRGYZKABAR correspondent Albert Bogdanov]

[Text] Bishkek July 28—"You are moving in the right direction, gentlemen," Professor of Economy of the Japanese Institute of Foreign Relations Mr. Kaneda, who is an advisor to Kyrgyz President Askar Akayev said at a press conference, estimating economic reforms in Kyrgyzstan.

Specialists who arrived with Kaneda gave the president a report containing recommendations for pulling the republic out of the crisis. They had checked how enterprises follow their advice concerning transition to a market.

"Special attention should be paid to the management structures, because there is something wrong with them: Many people do nothing but live in clover. The government and society overlook it," Japanese specialists said.

"Local businessmen do not have enough courage and persistence and the people do not have enough patience and diligence," said the professor.

State Directorate Presents Privatization Figures

LD2707121293 Bishkek Kyrgyz Radio First Program Network in Russian 2300 GMT 26 Jul 93

[Text] Flotation has become a main form of privatization in different branches of the economy of our republic. As has been reported by Goskomumushchestvo [state directorate for state property] of Kyrgyzstan, 88 percent of 206 industrial works have been floated, 76.4 percent out of the 140 enterprises of the construction sphere have been privatized, and 90.7 percent out of the 43 transport enterprises have become joint stock.

Tajikistan

Foreign Minister Urges Quadripartite Meeting on Border

LD2707132393 Moscow ITAR-TASS World Service in Russian 1125 GMT 27 Jul 93

[Report by ITAR-TASS correspondents Galina Gridneva and Yuriy Tyssovskiy]

[Text] Dushanbe, 27 Jul—The Tajikistan Government is striving for a political settlement of the problems connected with the situation on the Tajik-Afghan frontier, Foreign Minister Rashid Olimov stated at a news conference today.

Today, he said, the Ministry of Foreign Affairs sent notes to the Ministries of Foreign Affairs of Afghanistan, Uzbekistan, and Russia, inviting them to take part in a quadripartite meeting in Dushanbe roughly in the middle of August. The aim of the meeting is to draw up documents for settling all aspects of the situation on the Tajik-Afghan frontier and for speeding up the repatriation of Tajik refugees who are still on the territory of the adjacent state. Rashid Olimov said that, out of the 62,000 refugees, 35,000 had returned to their native areas already.

In reply to a question on the possibility of the participation by the leaders of the Tajik opposition which has formed a "government in exile" in Taloqan (Afghanistan), the minister stated: "As is known, criminal proceedings have been instituted against the majority of these people for attempting to stage a state coup, for setting up illegal militarized formations, and for the mass murder of their fellow countrymen. In any event, civilized and official representatives of power will not sit down at the negotiation table with criminal elements."

Touching upon relations with Afghanistan, Rashid Olimov spoke in favor of strengthening them in every way possible. Dushanbe, the minister noted, is not inclined to associate the policy of official Afghanistan with the penetration into Tajik territory from Afghanistan by hostile elements. At the same time, he noted with regret that the central Afghan leadership cannot yet control fully the situation in the northern areas of its country.

Sees Conflict as Result of Soviet Presence

MK2807092093 Moscow ROSSIYA in Russian No. 31, 28 Jul - 3 Aug 93 p 1

[Yuriy Kushko report under the "Conflict Zone" rubric: "Belated Blow at Soviet Union"]

[Excerpt] Dushanbe—"What we have is not a threat from Afghanistan, but a threat of a post-Afghan war," commented Tajikistan Foreign Minister Rashid Olimov on events on the country's southern border. "The conflict that has been going on for several months here is largely a reaction to the 10-year Soviet presence on the land of our neighbors. We can characterize it not only as an undeclared war on Tajikistan and Russia, but also on the Soviet Union. A belated retaliatory blow at a defunct state.

"Let us imagine for the moment that the Tajik-Afghan border is abandoned by its present-day defenders," the minister suggested. "The consequence would be a huge stream of weapons gushing from the contiguous state, to us and further around the region. Let me ask in this connection: Who brought in all these automatic rifles, Stingers, grenade launchers? Tajikistan?! Why then do we have to pay for the Afghan adventure? [passage omitted]

Russian, Tajik Troops Attack Guerrillas at Border

LD2807094193 Moscow ITAR-TASS World Service in Russian 0838 GMT 28 Jul 93

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow, 28 Jul—On Tuesday [27 July] evening and this morning Russian helicopters and artillery carried out several strikes against concentrations of guerrillas in the rear of the 11th and 12th outposts of the Moscow border detachment on the Tajik-Afghan border. An ITAR-TASS correspondent was informed at the press service of the Russian border troops that the results are being assessed. The subunits of the Tajik Interior Ministry have taken a guerrilla stronghold in the region of the Vari settlement [kishlak].

The shelling of a detail of the 1st outpost of the Ishkashimskiy border detachment has also been reported. There were no casualties.

General Views Opposition Moves

LD2707155593 Dushanbe Radio Dushanbe Network in Russian 1000 GMT 27 Jul 93

[Text] Major General Chechulin, commander of the groups of the border troops of the Russian Federation in Tajikistan, has informed journalists as follows: I have to state that the situation on the section of the Tajik-Afghan border has become sharply complicated. The problem is that the leaders of various anti-government forces who are in Afghanistan and have united under the aegis of the Islamic Rebirth Party have formed a so-called Tajik government in exile and have concentrated and sharply stepped up their activities with the aim of overthrowing the present constitutional government of Tajikistan. With this aim certain groups have been formed and armed by them, with the assistance of other states. At the same time they have chosen a path of armed provocations through the state border.

According to the agreement between Tajikistan and Russia, the Russian side has pledged and committed itself to protecting this section of the border during the transition period [passage indistinct]. That is why the troops have been reinforced with personnel and equipment. All the CIS states that signed the collective security treaty must have their say [words indistinct] in the noise of the shooting it is difficult to hear each other, but perhaps a political solution is necessary here, a path of intergovernmental obligations, a path of search for consent. This is the shortest way to peace in this region.

Russian Community Calls For Talks

LD2807093493 Moscow ITAR-TASS World Service in Russian 0837 GMT 28 Jul 93

[By ITAR-TASS correspondents Galina Gridneva and Yuriy Tyssovskiy]

[Text] Dushanbe, 28 Jul—Mass media in Tajikistan made public today a statement issued by the leadership of the Russian community in the republic, containing an assessment of the tragic events on the border, as well as a package of proposals on additional guarantees for Russian civilians living in Tajikistan. According to various sources, the Russian diaspora here amounts to 120,000-180,000 people.

In particular, the statement underlines: "Faced with the threat of possible new acts of aggression from the territory of the Islamic State of Afghanistan, bilateral agreements between Tajikistan and Russia take on a new meaning for both the Central Asian region and the CIS as a whole. In order to support purely military-political and strategic measures taken by the leadership of the Republic of Tajikistan and Russia, it would be expedient to adopt immediate international legal and interstate measures in social and civil matters."

In the opinion of the authors of the document, it would be expedient to sign an agreement with Russia and other CIS states on granting of citizenship to people of appropriate ethnic origin, in order to stabilize the sociopolitical situation in Tajikistan and prevent a new wave of exodus of Russian speakers provoked by the events at the border.

The statement points out that assessing the situation at the Tajik-Afghan border, one cannot fail to notice a typical scenario of unleashing a regional conflict with the ultimate goal of drawing Russia and other CIS countries into a new "Afghan war."

At the same time, the leadership of the Russian community believes that it would be expedient in this respect

not only to keep Russian troops in Tajikistan but also to strengthen the Afghan-Tajik border militarily and technologically. The document especially emphasizes, however, that this absolutely must be accompanied by an active negotiations process at both bilateral and multilateral basis, involving all CIS countries bordering on Afghanistan, Afghanistan itself, and Russia.

Islamic Organization Offers To Mediate

PM2707144993 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 93 First Edition p 7

[Vladimir Berezovskiy report under the "Yesterday, Today, Tomorrow" rubric: "Tajikistan: Islamic Conference Organization Advocates Political Settlement of Conflict"]

[Text] The Tajik opposition, as before, used as its mouthpiece the chairman of the Democratic Party, who in actual fact carries no serious political weight in the republic. The figure of Shadmon Yusuf is attractive in that he formally advocates the creation of a secular state. Speaking in Kabul, the leader of the Democratic Party—which, incidentally, not long before the fall of the pro-Islamic party in Dushanbe underwent a split, with all representatives of the Russian-speaking population and Uzbeks leaving the party—stated that he does not understand the stance of Islamic states, which are maintaining neutrality.

The answer was not long in coming. Hamid al-Gabid, general secretary of the Islamic Conference Organization, has offered to mediate in the political dialogue before the conflict escalates into a major war. He has sent a letter to Boris Yeltsin, Imamali Rakhmanov, and Borhanoddin Rabbani expressing the wish that Russia, Afghanistan, and Tajikistan sit down at the negotiating table. It is highly likely that Tashkent will join this trio.

UNHCR, Labor Ministry Conclude Agreement on Aid for Refugees

LD2707121393 Moscow ITAR-TASS World Service in Russian 0627 GMT 27 Jul 93

[TIA "Khovar" correspondent Mukhammadato Sultonov for TASS]

[Text] Dushanbe, 27 Jul—The Tajikistan Ministry of Labor and Employment and the directorate of the UN High Commissioner for Refugees [UNHCR] in Tajikistan have concluded an agreement to give aid to 365,000 refugees and persons that have suffered as a result of armed conflicts in the Khatlon oblast of the republic. This directorate will give funds to buy building materials to restore 11,000 houses that were fully or partially destroyed during the fratricidal slaughter.

The directorate has already transferred the first $250,000 into the account of the Ministry of Labor and Employment.

Armenia

Karabakh Official Praises Progress in Talks With Azerbaijan

NC2707135193 Yerevan SNARK in English 1139 GMT 27 Jul 93

[Text] Stepanakert, July 27 (SNARK)—Gegam Bagdasaryan, press-secretary of the Karabakh parliament, told SNARK that during the period of two days of bilateral contacts between Azerbaijan and Karabakh there are more results in recognizing Nagorno-Karabakh as a side of a conflict than in a period of a year of practically fruitless meetings within the CSCE.

Mr. Bagdasaryan said that now the sides are negotiating by phone the place and time of the negotiations of the coming meeting of the representative of two republics to discuss the cease-fire in the zone of the Karabakh-Azerbaijani conflict. This midnight the terms of the armistice are coming to an end. The positive character of the negotiations will prolong the cease-fire.

Karabakh Military Officials Report Cease-Fire Holding

NC2707140193 Yerevan SNARK in English 1139 GMT 27 Jul 93

[Text] Stepanakert, July 27 (SNARK)—Situation at the Karabakh front is stable. The Karabakh military officials told SNARK that the sides are following the temporary armistice. Karabakh and Azerbaijani military officials are doing a lot to prevent the violations of the agreement on cease-fire.

Meanwhile, the Karabakh department of press and information denied the reports Azerbaijan had spread on the battles for the Fizuli town.

The independent observers in Karabakh are of the opinion that such reports are the attempts to discredit and torpedo bilateral contacts accusing the Karabakh side of the fact.

Nagorno-Karabakh Denies Breaking Cease-Fire

NC2707181793 Yerevan Radio Yerevan International Service in Armenian 1530 GMT 27 Jul 93

[Text] One is puzzled, to say the least, by the Azerbaijani mass media reports that allegedly the Karabakh forces have launched attacks against the border settlements in Azerbaijan's Fizulinskiy rayon, thus violating the latest cease-fire agreement.

According to information obtained from the Nagorno-Karabakh Republic [NKR) self-defense army headquarters, the Karabakh side is strictly adhering to the three-day cease-fire agreement signed by the heads of the military leadership of Azerbaijan and the NKR.

As is known, the cease-fire is meant to create conditions for a meeting between the Azerbaijani and NKR leaders so that talks can begin.

Clearly, the false information disseminated by the Azerbaijani mass media has one objective: To accuse the NKR of aggressive operations designed to disrupt the peaceful resolution of the conflict.

According to information received from NKR army headquarters, all the formations have been instructed to observe the three-day cease- fire agreement.

The Armenian Defense Ministry press service informed us that calm has been prevailing on the Armenian-Azerbaijani border since last night.

Foreign Ministry Disagrees With CSCE Findings

NC2807102993 Yerevan SNARK in English 1350 GMT 27 Jul 93

[Text] [placename indistinct] July 27, (SNARK)—"Armenian ministry is disagree with many points of Mario Rafaelli, the CSCE chairman, last statement on Karabakh, and we have already expressed our opinion on that in a special message to the CSCE Minsk group. "Its session is to take place in Rome today", said Aram Safaryan, the Foreign Ministry press secretary at press conference. The official informed that the Foreign Ministry is following with great attention the launched dialog between Azerbaijan and Karabakh, the ministry hopes that a direct negotiation between the two conflicting sides will take place by July 28.

Yesterday's night Armenian Foreign Minister Vahan Papazyan sent a letter to Russian Foreign Minister Andrey Kozyrev. The letter expresses bewilderment relating the last announcement of Russian Foreign Ministry that diverges with the known Russia's position on the Karabakh issue. The press secretary told about two Foreign Ministry letters to Turkish Foreign Ministry. The first one informs that countries-members of the Islamic Economic Organization declined their participation at compiling of the Istanbul resolution accusing "Armenian aggression against Azerbaijan".

Armenian Foreign Ministry announces that the fact that Turkey imposes political decisions to the economic organization is in controversy with the international law and spirit of good neighborhood. In the second letter Armenian diplomats declined Turkish mass media information on Armenia's collaboration with the Kurd Labor Party [Kurdish Workers Party—PKK] and announced that such accusations creating problems to improvement of Armenian- Turkish relations.

Papazyan Expresses 'Bewilderment' in Letter to Kozyrev

LD2707182693 Moscow ITAR-TASS World Service in Russian 1452 GMT 27 Jul 93

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 27 Jul—Armenia's Minister of Foreign Affairs Vakhan Papazyan sent a letter Monday evening [26 July] to Russian Foreign Minister Andrey Kozyrev expressing Yerevan's bewilderment over the statement made on 24 July by the Russian Federation Ministry of Foreign Affairs.

The Russian Federation Foreign Ministry statement was made in connection with the escalation of military action in the region and communicated Moscow's concern over "the stepping up of activity by Armenian armed groupings" and over reports that they had seized the Azerbaijani town of Agdam. The Armenian side believes that the statement by Russia's foreign policy department "departs in its main elements from Moscow's well-known position on this issue".

An ITAR-TASS correspondent was told by a representative of Armenia's Ministry for Foreign Affairs that the Armenian minister had drawn Kozyrev's attention to the fact that Nagorno-Karabakh and Azerbaijan had agreed on 25 July to a cease-fire, which is being observed, and expressed the hope that Russia would use its influence and the potential of the CSCE to intensify the peacemaking process in the region of the Karabakh conflict.

Foreign Ministry Denies Turkish Claims of Links With PKK

NC2607205093 Yerevan Armenia's Radio First Program Network in Armenian 1950 GMT 26 Jul 93

[Statement issued by the Foreign Ministry; date not given—read by announcer]

[Text] Recently the Turkish Republic mass media and certain representatives of the government, including Interior Minister Mehmet Gazioglu and Governor of the State of Emergency Region Unal Erkan, have periodically referred to the alleged ties between the Armenian authorities and the Kurdish Workers Party [PKK].

The Armenian Republic Foreign Ministry is authorized to state that the Armenian authorities have no connection with the PKK and there is no PKK office in Yerevan.

In resorting to such calumnies, a certain circle within the Turkish Government is trying to sow anti-Armenian sentiments among the Turkish public, discredit Armenia in the international arena, and obstruct the establishment of neighborly relations between the two countries.

The Armenian Republic Foreign Ministry believes that such actions are not in the Turkish Republic's interests and do not contribute to the stabilization of the situation in the region.

The Armenian Republic Foreign Ministry resolutely protests the infringements on the prestige of the Armenian Republic.

Azerbaijan

Aliyev Briefs National Assembly on Agdam

NC2707210293 Baku Radio Baku Network in Azeri 1818 GMT 27 Jul 93

[Text] The Azerbaijani National Assembly continued to hold its regular session today. Chairman of the Supreme Soviet Geydar Aliyev, who is executing the powers of the Azerbaijani president, opened the session. The parliament adopted the agenda. The memory of those killed in the zone of conflict, including in Agdam, was observed. A series of proposals was made on agenda items.

Geydar Aliyev held forth on the first item on the agenda, which dealt with the talks with the CSCE's Minsk Group delegation, the latest situation in the zone of conflict, and the occupation of Agdam by Armenian forces.

The debates on these issues went on for a few hours. The session of the National Assembly was aired in full by Azerbaijani television and radio.

Insists UNSC Must Be Convened

LD2707194193 Moscow ITAR-TASS World Service in Russian 1550 GMT 27 Jul 93

[By ITAR-TASS correspondent and AZERTAC]

[Text] Baku, 27 Jul (ITAR-TASS)—In connection with the occupation of the Agdam rayon, Azerbaijan insists that the UN Security Council must be convened immediately and hopes that the commonwealth of nations will finally condemn the actions of the Armenian side which violates international norms and principles. Geydar Aliyev, acting president and chairman of the Azerbaijan Supreme Soviet, said this at a meeting of the republican National Assembly, which was convened today in connection with a sharp deterioration of the situation in the conflict zone.

Geydar Aliyev believes that together with diplomatic efforts aimed at ensuring that the world condemns the aggressor, measures must be taken to immediately regain the lost territory, to strengthen the state's defense capability, and to settle the new wave of refugees.

Geydar Aliyev blames the loss of Agdam, as well as earlier military defeats which resulted in the occupation of 17 percent of Azerbaijan territory, on processes which have been going on in the republic for the last several years, and believes that they are "the consequence of political games, which have been and are played by various forces."

Foreign Ministry Issues Statement on Fizuli, Agdam

NC2807095293 Baku Radio Baku Network in Azeri 1700 GMT 26 Jul 93

[Text] The Azerbaijani Foreign Ministry has issued a statement describing the new aggression against Agdamskiy and

Fizulinskiy Rayons by Armenia, which does not wish to comply with the peace initiatives aimed at removing the dispute between Armenia and Azerbaijan, as an example of shameless hypocrisy. The statement says: Had the United Nations refrained from adopting an indifferent approach toward the ambitions maintained by Armenia and the leaders in Daghlyk Karabakh, who are encouraged by Armenia, the aggressor would have not been able to realize its occupationist plans. However, it would be [words indistinct]. Azerbaijan expects that the international organizations, which have condoned the aggressor's ambitions for a very long time and which have made every kind of concession to Armenia and the Armenian community in Daghlyk Karabakh, will finally make an appropriate assessment on the crimes Armenia has committed against Azerbaijan.

The statement noted that the occupation of Agdam City after being violently bombed from the air and subjected to a wave of artillery and rocket fire marked a new stage in the aggression. Consequently, Agdam, which is a large rayon center in southwestern Azerbaijan, was occupied. Hundreds of people were killed or wounded and wide-scale destruction was caused in the city.

A crisis situation has also been created in Fizulinskiy Rayon. The Armenian military units have blocked the Fizuli-Dzhebrail highway. That has created serious anxiety for the security of 250,000 residents of Dzhebrailskiy, Zangelanskiy, and Kubatlinskiy Rayons.

The statement also stresses that the liberation of the territories occupied by the Armenian Armed Forces is only a matter of time for Azerbaijan. It said: However, the obstacles created by Armenia's aggressive policy against the effort made to find a political solution to the problem have delayed the time when peace will be achieved. It is not only Azerbaijan's people who look forward to that day.

Nagorno-Karabakh Army Claims To Observe Cease-Fire

LD2707133693 Moscow ITAR-TASS World Service in Russian 1243 GMT 27 Jul 93

[Report by ARMENPRESS-TASS]

[Text] Yerevan, 27 Jul—According to reports received from the headquarters of the self-defense army of the Nagorno-Karabakh Republic, the Karabakh side is strictly observing the agreement on a 3-day cease-fire reached between the leaders of the military departments of Azerbaijan and the Nagorno-Karabakh Republic [NKR]. As we know, the temporary cease-fire agreement is intended to create conditions for organizing a meeting between leaders of Azerbaijan and the NKR and the start of talks between the sides in the conflict.

Defense Ministry Reports 'Tense' Situation Around Fizuli

NC2707150393 Baku TURAN in English 1235 GMT 27 Jul 93

[Text] Baku, July 27 (TURAN)—The situation around the town of Fizuli, that is to the south of Nagorno-Karabakh remains tense, the Azeri Defense Ministry reports. So, the enemy consolidates [words indistinct] from the town, that were [words indistinct]

Last night Armenian units were shelling Fizuli by means of tanks and armoured personnel carriers from the territory of village Zargar, seized the day before.

To the reports of Azeri Defense Ministry, armoured equipment and live forces are being transported to Nagorno-Karabakh from Armenia through the territories of seized Lachin and Kelbadzharskiy. So, 12 tanks arrived in the vicinity of Gadrut (10 km to Fizuli) in addition to the forces, concentrated there. To the reports of the intelligence service, it is expected, that the enemy will launch an offensive upon the settlement of Goradiz, that is to the south-east of Fizuli. The seizure of this settlement will let Armenians to cut motor-railway communication between Baku and the 4 south-east (Zangelanskiy, Kubatlinskiy, Dzhebrailskiy, and Fizulinskiy) regions of Azerbaijan.

Starting July 25 Armenian forces sharply intensified the activities along the border between Armenia and Azerbaijan. Starting yesterday all the bordering settlements of Zangelanskiy region suffer shellings by means of different guns. July 23 the enemy attacked the village of Yukhari-Yemezli.

Last night the enemy shelled the villages of Kazakhskiy region of Azerbaijan from the territory of Idzhevanskiy region of Armenia. The village of Kilid of Ordubadskiy region in Nakhichevan Autonomous Republic was also shelled from the territory of Megrinskiy region of Armenia.

Opposition Leader Calls For State Council

NC2707203793 Baku AZERTAC in Azeri 1755 GMT 27 Jul 93

[Text] Baku, 27 Jul (AZERTAC)—Etibar Mamedov, the leader of the prestigious opposition Azerbaijan National Independence Party, believes that under the present complex conditions the creation of a State Council in the republic is a necessity. He made this proposal at the National Assembly's evening session today.

The National Assembly is debating ways to overcome the crisis created in the republic following the occupation of Agdam by Armenian armed forces.

Etibar Mamedov believes that all the main political forces must be brought together in this body in order to put an end to foreign aggression. He said that if this happens his party will stop its political activity.

Kamberov Transferred to Prison in Baku

NC2807100993 Baku TURAN in English 1436 GMT 27 Jul 93

[Text] Baku, July 27 (TURAN)—The former speaker of the Supreme Soviet of Azerbaijan Isa Kamberov was taken to Baku from Ganja today and imprisoned into the investigatory ward of the Ministry of National Security.

Isa Kamberov was arrested July 16 in Baku charged with the organization and implementation the operation on disarmament of the rebellious military brigade in Ganja and then he was transported to this city.

After the demands of diplomatic representations, public and the political parties the authorities were forced to return the ex- speaker to Baku.

Georgia

Parliamentarians Criticize Cease-Fire Agreement

LD2707143393

[Editorial Report] Tbilisi Radio Tbilisi Network in Georgian at 0700 GMT on 27 July is observed carrying a live relay of proceedings at the Georgian parliament, broadcast in progress. The session is chaired by deputy speaker Rcheulishvili and discusses miscellaneous issues, including today's signing of the cease-fire agreement for Abkhazia.

The session is addressed by a member of the parliamentary faction Khartia-91, Tengiz Dikhaminjia, who says: I would like to react to the head of state's statement in which he says that the speaker of parliament, Vakhtang Goguadze, is going to Sochi to discuss the draft agreement and will probably sign it. I must say that although the general public may be unaware of it, parliament did not express its official attitude toward this agreement at its closed session [on 25 July].

Dikhaminjia goes on to say that the decision to sign the agreement was tantamount to capitulation and that he was protesting against it on behalf of his faction.

Next an unidentified speaker says that the closed session heard a statement by the Adzharian leadership which clarifies its position on the cease-fire agreement. The speaker wants this statement to be made public, because he thinks it was important for making a final decision on the agreement.

A member of the Ilia Chavchavadze Society, speaking on behalf of the whole parliamentary group, strongly protests against the authorities' decision to sign the agreement. He says: The agreement is in fact a Russian ultimatum to Georgia according to which the opposing side will stop hostilities only if, one, Georgian troops are withdrawn from the whole territory of Abkhazia within the period between 10 to 15 days after the cease-fire agreement takes effect.

At this point, the chairman interrupts the speaker and says that the text of the agreement could not be made public. But after a short spell of confusion and noise, the speaker goes on. He says: Two, the Georgian side will facilitate the restoration of the legitimate authorities in Abkhazia. This means that Ardzinba and his Supreme Soviet will return to Sukhumi. Three, Russia is to perform the role of a mediator in the Georgian-Abkhaz conflict."

The speaker continues by saying that the document was vague as to whether Abkhazia is part of Georgia and that the present authorities based in Sukhumi were totally ignored.

The speaker goes on: "In fact, according to this agreement, the Georgian Army on the territory of Abkhazia is effectively declared a foreign force, while there is no word in the agreement about the withdrawal of Russian troops from Abkhazia."

The speaker also says that the UN role in the peace process is only "cosmetic." "The mass media are claiming that parliament instructed the head of state to decide whether to sign the agreement at his own discretion. In fact, the head of state assumed responsibility for signing this document, but no voting took place on this issue in parliament."

Finally, the speaker accuses the Georgian leadership of losing the war.

Opposition Parties Protest Agreement With Abkhazia

NC2707142293 Yerevan SNARK in English 1139 GMT 27 Jul 93

[Text] Tbilisi, July 27 (SNARK)—50 representatives of different opposition parties undertook the protest meeting this morning. It took place at the government house in Tbilisi. The opposition is against the armistice agreement with Abkhazia. The slogans in Georgian and English are: "Georgians let's save our motherland", "Stop the genocide." The Georgian police is at the square to make the people leave the place. The opposition parties should meet in the Vake region. The latest are: "We lost southern Ossetia, we are losing Abkhazia".

Ardzinba Orders Abkhaz Side To Observe Cease-Fire

LD2807084893 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 28 Jul 93

[From the "Novosti" newscast]

[Text] Our correspondent has just reported from Gudauta that following the signing of the agreement on a cease-fire in Abkhazia, Vladislav Ardzinba, the commander of the republican armed forces, ordered all subunits of the Abkhazian armed forces to cease fire as of 1200 hours on 28 July and also to stop using aviation and artillery on the Gumista and eastern fronts.

Speaking on Abkhazian television last night, Vladislav Ardzinba said that the Abkhazian side intends to strictly and rigorously observe all points of the agreement.

Abkhaz Forces Bomb Settlements in Sukhumi Rayon

LD2807084493 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 28 Jul 93

[Report by correspondent Beso Khvedelidze]

[Text] Hostilities in the Shroma-Akhalsheni direction continued throughout the night. At 2340 [1940 GMT], the opposing side started to bomb Georgian positions from Grad installations. Georgian armed forces returned artillery fire. Between 0200 and 0500 morning, the opposing side used Grad installations to bomb Pshap, Babushara, and settlements in Sukhumi Rayon.

At the same time, during the whole night, an enemy Su-25 plane hovered over the town of Sukhumi.

It has been calm on the frontline since the day started.

Foreign Minister, U.S. Envoy Discuss Abkhaz Issues

LD2707174893 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 27 Jul 93

[Text] On 27 July Aleksandre Chikvaidze, minister of foreign affairs of the Republic of Georgia, received Kent Brown, ambassador extraordinary and plenipotentiary of the United States of America to Georgia.

The minister familiarized the ambassador in detail with the situation around the Georgian-Abkhaz conflict and the last stage of the negotiations.

In Kent Brown's opinion, the agreement envisaging Georgia's territorial integrity and the cease-fire will enable the conflicting parties to sigh with relief, although, he added, resolving every problem objectively needs time, attention, and efforts from the countries involved and international organizations.

According to the ambassador, the United States, as before, will support Georgia's territorial integrity and the inviolability of its borders. On the basis of bilateral relations and with the help of international organizations, the United States will help in carrying out economic reforms and strengthening democracy in Georgia.

Mr. Kent Brown also said that according to the humanitarian aid program, the United States will send to Georgia the first batch of 19 tonnes of medicine in the second half of August.

During the conversation, issues of bilateral relations between the United States and the Republic of Georgia were discussed.

Army Paper Views Reactions to Cease-Fire Agreement

PM2707131193 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 93 p 3

[Petr Karapetyan report: "Shevardnadze Ready To Sign Cease-Fire Agreement, But Abkhaz Government Still Does Not Have Draft of This Document"]

[Text] On 25 July, after a lengthy and very complex discussion in the Georgian parliament of the draft agreement "On a Cease-Fire in Abkhazia and the Mechanism To Monitor Its Observance," the Georgian head of state entrusted his plenipotentiary representatives with signing the document after the necessary amendments. In his statement Eduard Shevardnadze noted Russia's positive influence on the settlement of the Abkhaz conflict, particularly emphasizing yet again that Russia has an interest in Georgia's territorial integrity.

At the same time the Press Service of the Abkhaz Supreme Soviet has denied reports that preparations are being made to sign the agreement. It turns out that the government of Abkhazia does not yet have a draft of the agreement with the Georgian parliament's amendments.

The situation in the conflict zone is still dangerously explosive, while in Georgia, as was only to be expected, Shevardnadze's decision has received an ambivalent assessment among leading politicians. Prof. Nodar Natadze, chairman of the People's Front, has declared that the cease-fire agreement is an "act of capitulation." Sandro Kavsadze, the personal representative of the Georgian head of state in Abkhazia, has admitted: "If we want to end the war we must make certain concessions in Abkhazia." Lieutenant General Levan Sharashenidze, Georgian deputy defense minister, believes that there are no grounds for panic and that "maybe we have now taken half a step backward, but tomorrow we will take three steps forward."

What about Tengiz Kitovani, ex-minister of defense and Shevardnadze's most intransigent opponent? His trips to mutinous Megrelia make it possible to assume that he is seeking new partners—and not just political partners, obviously. Kitovani has established close contact with Loti Kobaliya, formerly chief of Zviad Gamsakhurdia's personal guard and now commander of a large detachment of "Zviadists." In December 1991 Kobaliya and Kitovani stood on different sides of the barricades, today they are together. Time will show what this strange alliance will bring to Georgia. We have learned from unconfirmed reports from Tbilisi that Kobaliya and Kitovani's armed detachments have entered Senaki and intend to take Kutaisi and to proclaim it the capital of Megrelia....

Russian Military Facility in Abkhazia Shelled

LD2807102193 Moscow ITAR-TASS World Service in Russian 0900 GMT 28 Jul 93

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow, 28 Jul—Nine shells have exploded in the last 24 hours on the territory of the former Army seismic laboratory in Eshery (Abkhazia), which is being defended by a Russian paratrooper subunit. An ITAR-TASS correspondent was informed at the press center of the Russian Defense Ministry that there were no casualties among the servicemen and that there was no return fire.

The Georgian Information Agency has reported that this morning, before the agreement on cease-fire in Abkhazia and the mechanisms for controlling its observance came into force at 1200, it was "relatively calm" along the line of confrontation.

Shevardnadze Replies to Patriarchs' Peace Appeal

AU2807090993 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 20 Jul 93 p 1

[Letter from Eduard Shevardnadze, chairman of the parliament and head of state, to Aleksiy II, patriarch of Moscow and all Russia, and the Most Holy and Beatific Ilia II, catholicos-patriarch of all Georgia; place and date not given]

[Text] The patriarchal appeal that you—the holy spiritual leaders of the two fraternal ancient Christian Orthodox churches—Aleksiy II, patriarch of Moscow and all Russia, the Most Holy and Beatific Ilia II, catholicos-patriarch of all Georgia—made to the Russian president and head of the Georgian state and the Parliaments, Governments, and peoples of both countries has great significance.

This is precisely how it has been interpreted by the Georgian people, each citizen of Georgia, the church's congregation and the authorities.

Vitally important political, economic, social, and moral and ethical problems and pressing questions relating to the brotherhood and friendship of peoples, war and peace, and the regulation of conflicts and the establishment of peace based on Christian and universal ideals, and therefore wholly understandable and acceptable to us, are raised in your appeal.

You call for a halt to the breaking of fraternal relations between the peoples of Georgia and Russia and the two states. It is your wish, in this difficult time for us, when peoples are trying to build their lives anew in conditions of freedom, to give a new impulse to relations that correspond to the centuries-old spiritual traditions between our two countries and for us to feel greater responsibility for the present and future of our nations and their spiritual and moral catharsis and regeneration.

The Georgian people and the Georgian Parliament and Government are living and struggling for this aim.

Blessed are the peacemakers and the people of good will in both our countries, throughout the whole world, on this earth and the world on high.

It is written in the Holy Scripture: I have come to you not with sword in hand but bearing peace [as published].

For centuries, imperial forces have been alienating the peoples of Georgia and Russia, but they have been united by a divine and Christian spirit and Christian morals, a high culture, and a great civilization. We are united to Russia, which has the same faith, by a centuries-old and rich history and good should be bequeathed from one generation to another.

The path of history has often been hard and thorny; however, in the struggle between good and evil along this path, good has to emerge victorious. "He who does not seek out friends is his own enemy," says Shota Rustaveli.

The reactionary forces of history are trying today to sow ethnic conflicts, discord, mistrust, and enmity between our peoples but this short-lived and shortsighted policy is doomed to perish. It is the profession of cruel ignorant people and corrupt politicians and intriguers to turn peoples against one another and benefit from the misfortune of others.

These kind of politicians and the political systems created by them, as you say, come and go but peoples remain and have been living and will live as good neighbors in accordance with the new times and principles.

You discuss the problem of good-neighborly relations between Georgia and Russia against the background of the continuing conflict in Abkhazia and you call for a halt to the bloodshed and the fratricidal war.

This is also our deep wish.

We want a worthy end to the conflict in Abkhazia and the establishment of long-desired peace throughout all of Georgia, Transcaucasia and the Caucasus, and the whole world. We will protect human rights, Christian morals, and the independence and territorial integrity of states.

As head of state and an Orthodox Christian, I personally am very grateful to you for your letter.

I agree with you: It is absolutely necessary to put an immediate end to the bloodshed, create firm guarantees for peace, and seek a just resolution to the problems of the countries drawn into the conflict by means of negotiations, taking into account the legal demands and interests of each people.

You are absolutely right in saying that it is necessary to establish peace and friendly good-neighborly relations between Georgians, Russians, Abkhazians, and all nations and nationalities living on the one land.

Christians, Muslims, and Jews in Georgia and people of different outlooks and faiths are struggling for these high ideals.

Good-neighborly relations between two independent sovereign states—Georgia and Russia—while observing the norms of international law, correspond to the vital interests of both countries.

I would like to express my great appreciation to Aleksiy II, patriarch of Moscow and all Russia, and to the Most Holy and Beatific Ilia II, catholicos-patriarch of all Georgia, for the prayer and blessing that you have delivered to heaven for Georgia's and Russia's good-neighborliness, friendship, happiness, and prosperity and the establishment of peace in Abkhazia.

We again promise Abkhazia the inviolability of autonomous status and are ready to create all necessary conditions for the Abkhazian people to preserve and develop their language, culture, and way of life in a united, independent and indivisible Georgia.

Like you, I am deeply convinced that, with the mercy of God, good, reason, and justice will triumph now and forever more in both countries—Georgia and Russia.

Eduard Shevardnadze, chairman of the Georgian Parliament-head of state.

Police Prevent Pro-Gamsakhurdia Rally in Kutaisi

LD2707161793 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 27 Jul 93

[Text] Supporters of the former president [Gamsakhurdia] tried to hold a rally on David Aghmashenebeli Square in Kutaisi at 1700 this evening. The police prevented the attempt to hold an unsanctioned rally.

Social-Democrats Call For Improved Ties With Russia

LD2707214393 Tbilisi Radio Tbilisi Network in Georgian 1950 GMT 27 Jul 93

[Statement by the Social-Democratic Party of Georgia—read by announcer]

[Text] Dear fellow countrymen, retaining Georgia's independence and its territorial integrity is the most important task of the national movement. Confrontation with Russia and the futile flaunting with Western countries has engulfed Georgia in the flames of war, destroyed its economy, impoverished the Georgian nation, and claimed many Georgian youths' lives.

The Social-Democratic Party of Georgia has declared openly many times that our country is of strategic interest for Russia and these interests should be reckoned with and satisfied, of course, considering present realities. At the same time, Russia should reckon with and satisfy the national interests of the Georgian nation. Only in this way can a civilized system of Russo-Georgian relationship be created.

But the national movement extremists do not want to take heed of this. Its representatives undermine Georgia's independence by abusing and confronting Russia. Russian reactionary forces, hungry for power, use the extremists' actions. These reactionary forces are fighting to restore the Soviet empire.

The Social-Democratic Party of Georgia is the only political force in this country which was and is demanding a liberal policy with Russia, establishing good-neighborly relations with it, and blending in the mutual interests of these two states.

Unfortunately, the previous and the present leadership did not share the policy suggested by us, thus damaging Georgia's national interests greatly. Time is running out. We must face the existing realities and analyze them. The Georgian people should know the truth, however unpalatable it may be. And the truth is that at this stage it is impossible to retain independence without good-neighborly relations with Russia. [words indistinct]

All of us must understand that if we do not change the policy of confrontation with Russia by a policy of liberalism, then a catastrophe will be inevitable. There still is a chance today to retain state independence and territorial integrity by normalizing relations with Russia, tomorrow may be too late.

[Signed] The Political Council of the Social-Democratic Party of Georgia

Estonia

No Results at Talks With Russian Delegation on Citizenship

LD2707222493 Tallinn Radio Tallinn Network in Estonian 1800 GMT 27 Jul 93

[Text] Vello Saatpalu, chairman of the Foreign Commission of the parliament—in commenting on a meeting today with the chairman of the commission on citizenship of Russia—said that the meeting did not produce any result. Saatpalu met Abdullah Mikitayev, chairman of the commission on citizenship under the Russian president, and the delegation accompanying him.

The problems of the citizenship of aliens were under discussion. Saatpalu expressed astonishment in ascertaining that the Russian side interprets Estonia as a new state that has arisen with the splitting up of the Soviet Union, without taking into consideration the preceding annexation and occupation. Saatpalu said that he gained the impression from the meeting that the foreign policy of Russia is directed toward the citizens of the former Soviet Union who continue to live in the previously occupied states. If necessary, it would then be possible to use them as a means of pressure, as hostages.

Saatpalu on Delegation's 'Imperialistic' Views

WS2807105793 Tallinn ETA NEWS BULLETIN in English 0706 GMT 28 Jul 93

[From 28 July RAHVA HAAL, p 3]

[Text] Wednesday, July 28—A delegation of the Russian presidential citizenship commission and Foreign Ministry headed by the commission chairman Abdullah Mikitayev is visiting Estonia. They met the Riigikogu foreign affairs commission chairman Vello Saatpalu yesterday.

The head of the delegation held particularly imperialistic views this time, Saatpalu later commented to meeting. Mikitayev held that Estonia was formed as the result of the disintegration of the Soviet Union and refused to recognize the restoration of independence. He further stressed that Estonia is to grant citizenship to every former Soviet citizen residing in Estonia, according to his interpretation of the Estonian-Russian agreement of 1991.

Saatpalu described the plan of decolonization but the Russian delegation failed to accept it. Saatpalu described the meeting as an expression of Russia's consistently aggressive foreign policy, exceeding even the days of the cold war. He pointed out that such policy has nevertheless found support of the Western countries as expressed by the European and US pressure directed at "integrating" as many Russians into the Estonian society as possible.

"We are offered money to finance the round table negotiations, but not a cent has been donated to the Migration Foundation to help those willing to leave here. This is another proof of the understanding between Russia and the Western states," Saatpalu said. He admitted to having no idea of who invited the delegation to Estonia.

Government Decides To Increase Control Over Paldiski

WS2807105693 Tallinn ETA NEWS BULLETIN in English 0706 GMT 28 Jul 93

[From 28 July RAHVA HAAL, HOMMIKULEHT, p 1]

[Text] Wednesday, July 28—The government decided to increase Estonian control over Paldiski. All military property with the exception of the nuclear power station and the submariners' training centre are to be taken over, together with the port and the wrecked patrol craft moored there. Estonian Defence Forces are also to provide outside protection for the nuclear reactor building. The police, the Border Guard and the Defence Forces are to start patrolling the town. These activities are coordinated with the Russian military authorities and no conflicts should be expected, Foreign Minister Trivimi Velliste said.

The government declared the company "Eesti Talleks" the entitled subject of the privatisation of the "Talleks" plant. While determining the final price of the plant the State Property Department will also consider the loss made by the company due to the extended legal battle.

Estonian Embassies are to be opened in Kiev and Vienna. The Embassy in Kiev is to be opened on August 6. The urgency was explained with the importance of the Ukraine to Estonia as a political ally and trading partner and the great number of Ukrainians living in Estonia. The choice of Vienna was explained with the number of international organisations headquarters there and the opportunity to represent Estonia in neighbouring countries. Further embassies are to be opened in Warsaw and Rome "early next year" and in Prague and Budapest "as soon as possible", Velliste said.

The government refused to guarantee the 32 million kroon credit application of the "Ergon" aviation company since it has no way of finding the funds. The application of the Estonian radio was met partly—1.7 million kroons. Funds were released to the Customs Department for the construction of checkpoint structures in Narva and the Education Ministry to pay compensation to staff to be dismissed.

The government approved the draft law on the ratification of an agreement on pensions between Estonia and Russia. The draft will be submitted to the Riigikogu. A decree on the use of proceeds from privatisation was approved. Profit from the privatisation of state and municipal property is to be controlled by the Finance ministry while proceeds from the privatisation of apartments are to be controlled by the Housing Department, Reform Minister Liia Hanni said. The Tallinn Conservatoire will be renamed Tallinn Musical Academy as of September 1.

Takeover To Be Completed By 10 Aug

LD2607210693 Tallinn Radio Tallinn Network in Estonian 1700 GMT 26 Jul 93

[Text] A discussion by the commission dealing with the problems of Paldiski took place today at the Ministry of the Interior. Taking over the town [from Russian troops] should be completed by 10 August. From that date patrolling by the militia of the Russian troops will end. The Estonian police will begin random inspections of permits of sojourn in Paldiski. When necessary the police patrol service will be assisted by the defense force and the border guard. In the taking over the town there are many problems in connection with the fact that the greater part of the town belonged to the Russian troops and that Paldiski has no self-government status.

Russian Ammunition Depot Said To Pose Threat

WS2807105293 Tallinn ETA NEWS BULLETIN in English 0706 GMT 28 Jul 93

[From 28 July RAHVA HAAL, p 3]

[Text] Wednesday, July 28—Personnel of the Tallinn Fire and Rescue Department visited the Russian Army depots at Astangu on July 26. The situation there is depressing, the delegation commented. The depot contains 1,000 tons of trotyl hexogen and 5,470 tons of other explosives while only 6 carloads, 40 tons each, are evacuated every month. It is vital that the Estonian government subsidised the removal, the Rescue Department officials stressed. A possible fire may result in an explosion which might require rescue operation all over Tallinn, the statement warned. The statement was signed by Raul Haaristo, Deputy Director of Tallinn Fire and Rescue Department.

Volunteer Infantry Company Leaves Defense Forces

LD2707163393 Tallinn Radio Tallinn Network in Estonian 0900 GMT 27 Jul 93

[Excerpt] The volunteer company of light infantrymen of Laanemaa has decided to leave the composition of the Estonian defense forces, according to an announcement by Estonian citizens serving in the company. Due to the activities of the Ministry of Defense and of the defense forces' General Staff, the previously reached agreements are being continuously restricted. It is openly stated that the activity of the defense leadership with regard to the company is characterized by a systematic [word indistinct], inadequate equipping, and exceedingly provocative directing. It is also regarded as necessary to preserve the volunteers' training center at Kullapaa because fulfillment of the program is not possible at all at the company's present location at Paldiski.

At the same time the volunteers intend to preserve their unit and the equipment for resisting hostile activity directed against the Republic of Estonia, and they wish to solve the (?instruction corrections) about subordination or nonsubordiantion by means of decisions of the state court and the justice chancellor, in accordance with the Constitution.

The announcement reports that the statement if intention to leave was presented by taking into consideration several provisions of the Constitution.

The unit of volunteers was formed in the summer of last year. On 16 September last year the unit departed from the control of the defense forces' General Staff and the volunteer company of light infantrymen of Laanemaa was created and located at Kullapaa. [passage omitted]

Laar Meets With Narva, Sillamae Leaders

WS2707113193 Tallinn ETA NEWS BULLETIN in English 1908 GMT 26 Jul 93

[From 24 July RAHVA HAAL, p 1,3]

[Text] Monday, July 26—Prime Minister Mart Laar met representatives of major enterprises in Narva to discuss chances of solving the present crisis. Government spokes man described the meeting as constructive. The local industrial leaders were concerned with the politics of the town council which had deterred several foreign investors. Laar assured them of the government's intent to solve the problems of northeastern Estonia jointly. It was decided to form a group of experts, including representatives of the local enterprises and governments, the national government and the Bank of Estonia.

Laar also met the Narva and Sillamae town council chairmen Chuikin and Maximenko. Maximenko described the meeting as "encouraging" and added that they had no differences with the government on economic issues. The discussions concerned mostly the ways of overcoming the economic crisis in the region.

Two members of the Narva town council resigned on Saturday [24 July], Rein Annum in protest against the unlawful referendum and Mayor of Narva-Jesuu Juri Andreyev, who stressed that the small town as become an independent administrative unit. Council member Yuri Mishin demanded the resignation of Assistant Mayor Ants Liimets and head of town education department Galina Oja for resisting the illegal referendum. The council confirmed the results of the referendum and empowered ten members, headed by Chuikin, to negotiate with the government on amending three laws.

National Bank Declares Moratorium on Narva Bank

WS2807105393 Tallinn ETA NEWS RELEASE in English 2120 GMT 27 Jul 93

[Text] Tallinn, July 27—The Bank of Estonia board on Tuesday [27 July] proclaimed open-ended moratorium on Narva Bank, a commercial bank in the border town of Narva, due to the bank's insolvency. The action was

taken in order to stop further decline in services to the town's residents, the press office of the Bank of Estonia said.

The Bank of Estonia appointed Nikolai Jugantsev as moratorium administrator.

Narva Bank, located in the predominantly Russian-populated town which recently held a referendum on autonomy, has been struggling with financial difficulties since October 1992. The Bank of Estonia blamed the bank's unsound financing policy for the moratorium. Narva Bank has been unable to meet its obligations to its depositors due to bad loans which have been repeatedly extended.

On January 15, the Bank of Estonia, calling the bank's payment difficulties as temporary, granted the institution permission to use its reserve funds. On March 30 the Bank of Estonia board asked the bank to draw up a crisis programme aimed at overcoming its financial difficulties. No programme was produced, the Bank of Estonia said.

Examinations by the Estonian banking inspectors and the auditing company Price Waterhouse have revealed a further deterioration of the Narva Bank's finances, especially from June through July.

Payment debts to its clients soared from 5.9 million kroons on June 1 to 11.7 million kroons on July 12. Debts to the bank amounted to 44.8 million kroons as of July 1, of which two fifth were bad debts and other predominantly extended debts. Back debts amounted to 18.0 million kroons on July 13. Loans worth 38 million kroons can be considered risky, the Bank of Estonia said.

At the same time, deposits have decreased considerably. In two weeks (July 1-13, 1993) deposits decreased 13 per cent to 23.3 million kroons from 26.8 million kroons.

As of July 13, 55.8 per cent of deposits with the bank in the town with high rate of unemployment and social tensions, belonged to Narva's social, pension and sick funds.

Banker Views Effect of Russian Money Reform on Trade

LD2707093393 Tallinn Radio Tallinn Network in Estonian 1800 GMT 26 Jul 93

[Text] The money reform in Russia is, first of all, a political game, and only after that, a feeble money reform, Rein Usin, chairman of the council of the Foreks Bank, told ETA. Usin reported that this was also affecting Estonia since one-third of the exchange of Estonian goods was connected with Russia. Trade presupposes money stability, but the given reform does not (?offer it) security. Usin added that the Estonian-Russian trade volume is a couple of billion rubles, which is not an especially large amount, but a high risk aspect is characteristic of trade relations between countries, and many would simply abandon it. Rein Usin added that the Russian monetary system needed a complex program for recovery, in the fields of both (?banking) and settling of accounts.

National Independence Party Elects New Vice Chairmen

WS2807110193 Tallinn ETA NEWS BULLETIN in English 0706 GMT 28 July 93

[Text] Wednesday, July 28—The National Independence Party (ERSP) elected Vello Salum and Andres Arujarv new vice chairmen on Monday [27 July]. The ERSP is to organise an international conference on decolonisation together with Latvian and Lithuanian right-wing parties. A delegation is to be sent to Lithuania to study the political situation there and to make contacts with the right-wing party headed by Vytautas Landsbergis. The ERSP also appealed to all its supporters to extend financial aid to the party.

Russian National League To Be Resurrected

WS2807105993 Tallinn ETA NEWS BULLETIN in English 0706 GMT 28 Jul 93

[From 28 July RAHVA HAAL, p 3]

[Text] Wednesday, July 28—Sergey Afanasyev proposed to resurrect the Russian National League, an organisation joining Estonian citizens of Russian origin, which existed in the pre-war republic. The aim of the organisation would be to participate in the Riigikogu elections and to represent the interests of the Russians. The league is expected to participate in the oncoming local elections.

Lithuania

Bobelis: Government's Foreign Policy Lacks Coordination

WS2707113493 Tallinn BNS in English 1709 GMT 26 Jul 93

[Text] Vilnius, July 26, BNS—The head of Lithuania's Foreign Affairs Committee fired a wave of criticism the government's lack of organization in its foreign policy.

Lithuania's foreign policy suffers from the absence of coordination between the branches signing documents like interdepartmental agreements to interstate treaties, said Kazys Bobelis Monday [26 July].

Bobelis aired a laundry list of goals for the country's policy in the near future.

Lithuania should sign agreements on friendship and cooperation with Estonia, Latvia, Poland, Belarus and the Ukraine; it must put an end to the mess on its border with Poland, and it has to open its consular departments in Minsk, St. Petersburg, Kaliningrad and Suvalkai, a predominantly Lithuanian-populated region of Poland.

The government has had a raft of miscues and false steps recently, he said.

Among those are the agreements with the Kaliningrad region, signed last week by Kazimieras Klimasauskas, Lithuania's industry and trade minister. The agreements caused a storm of negative reaction in Lithuania.

Bobelis suggests all the draft agreements should be coordinated with the foreign minister, and the person who signs them should be fully informed about the agreements already available.

Lithuania's policy toward Russia should be a policy of compromises "that do not damage Lithuania's independence," he said. Lithuania should benefit from cooperation with Russia, he said. The committee's chairman said talks with Russia should be more intensive and experts should meet once a week.

Bobelis said his committee wants to get constant reports and forecasts about the development of events in other countries from Lithuanian embassies abroad.

"This will enable Lithuania to adapt its foreign policy to the political changes in these countries."

Germany Refuses To Pay Compensation for Nazi Damages

LD2707171593 Vilnius Radio Vilnius Network in Lithuanian 1600 GMT 27 Jul 93

[Text] Germany does not agree to pay compensations for damages caused to Lithuania and its people during the Nazi occupation. This was announced today at a news conference by Foreign Minister Povilas Gylys.

Last week, he led a Lithuanian delegation to Bonn that signed a Lithuanian-German declaration on the bases of political relations. We raised the issue of compensations while discussing the draft declaration. Germany, however, does not agree to accept Nazi guilt. Apart from that, it states that all reparations were paid immediately after the war to the former Soviet Union. According to Gylys, Germany is, however, prepared to examine claims by individual victims.

Justinas Karosas, chairman of the Lithuanian Democratic Labor Party seimas faction who was a member of the delegation visiting Germany, said that Germany promised to take into consideration Lithuania's demands regarding compensations in future economic and other bilateral agreements. One agreement—which is a protocol that was signed in Bonn on the training of economists and administration officials in Germany—will soon be implemented. Germany also promised to assist Lithuania [words indistinct] economy and cultural life. It may be that these problems will be discussed at summit meetings.

It was announced at the news conference that Algirdas Brazauskas has been invited to pay a visit to Germany. This is currently being coordinated through diplomatic channels. It is expected that Bundestag Chairman Rita Suesmuth will visit Lithuania in the second half of August. An official visit to Lithuania by German President Richard von Weizsaecker may take place this year.

Lithuanian Army Commences Exercises

LD2707222593 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 27 Jul 93

[Text] The first military exercises of the Lithuanian army called Barrier-93 started in Klaipeda today. The exercises, which started at the Kairiai training ground, are being participated in by units of the land army brigade Gelezinis Vilkas [Iron Wolf] and of the voluntary national defense service.

The exercises are being conducted by a group of commanders consisting of representatives of the staff of the Lithuanian army and of individual military units.

Poll on Economic Situation, Ministers' Performances

LD2707192993 Vilnius Radio Vilnius Network in Russian 1200 GMT 27 Jul 93

[Text] In July the public opinion research center attached to the Institute of Philosophy, Sociology, and Law carried out a poll on how the government's economic activity and the results of this activity are assessed.

Eight out of ten Lithuanian residents assessed the economic situation in Lithuania negatively. It is assessed in different ways by the Seimas members. Those belonging to the opposition assessed it by minus 63 points while they gave the situation of their families plus 15 points. Members of the Democratic Labor Party [DLP] faction assessed the situation by minus 19 points and the situation of their families plus 58 points.

According to sociologists, this difference in the evaluation of material wellbeing of their families is explained by the fact that the DLP members receive higher salaries, as they occupy more leading posts in the Seimas.

Six out of ten Seimas members expect an insignificant improvement in the economic situation in Lithuania within a year, while 44 percent of the Homeland Union [Tevynes Santara] members think that the economic situation will get worse.

Every fourth resident of Lithuania hopes that the economic situation in Lithuania will improve, 30 percent think that the situation will get worse. One-fifth of Lithuania's residents expect some impoverishment, the same number expect an improvement in the economic situation.

A total of 95 parliamentarians replied to the questionaire by the public opinion research center. In answer to the

question: How is Algirdas Brazauskas discharging his duties as Lithuanian president, 57 percent of them replied that he is discharging his duties very well or rather well. This is also the opinion of 49 percent of the residents in Lithuania. Rather badly or very badly—this assessment was given by 38 percent of the Seimas members and 23 percent of Lithuania's residents.

Adolfas Slezevicius' work in the post of prime minister—very well or rather well: this was the opinion of 61 percent of the Seimas members and 34 percent of the population; rather badly or very badly: 33 percent of the Seimas members and 19 percent of the population.

On a scale of minus 10 to plus 10 points Health Minister Briedikis received 10.5 points; the justice minister—7.5 points; Minister of Social Security Medaiskis—6.7 points; Minister of Transport Birziskis and Minister of Construction and City Planning Vapsys each received 6.5 points. Minister of Culture and Education Trinkunas received 6.3 points; Minister of Finance Vilkelis and the chairman of the board of the Bank of Lithuania—5.8 points; Minister of Power Engineering Stasiukynas—5.5 points; Minister of Internal Affairs Vaitiekunas—5.4 points; Prime Minister Adolfas Slezevicius—5 points; the minister of economy—4.9 points; Minister of Agriculture Karazija—4.5 points; Minister of Foreign Affairs Gylys—4.3 points; Minister of National Defense Butkevicius—4 points; head of the security department Jurgelis—3.5 points; General Procurator Paulauskas—3 points.